



445 East Capitol Avenue
Pierre, SD 57501-3185
Phone: 605-773-6050
Fax: 605-773-6053

NOTICE ADMINISTRATIVE HEARINGS AND QUARTERLY BUSINESS MEETING

NOTICE IS HEREBY GIVEN that the South Dakota Commission on Gaming will hold a public hearing on proposed rule changes and its quarterly business meeting on Thursday, November 16, 2017 beginning at 9:00 AM in the City Commission Chambers at Deadwood City Hall, 102 Sherman Street, Deadwood, South Dakota.

AGENDA

Call to Order

Conflicts of Interest Disclosure

ADMINISTRATIVE HEARINGS

In the Matter of One Seized Bally Double Jackpot 777 Slot Machine (pp 1-3)

In the Matter of One Seized Las Vegas Pachinko Slot Machine (pp 4-5)

South Dakota Commission on Gaming vs. B. Y. Development, Inc.
D/B/A Cadillac Jack's Casino (pp 6-21)

In the Matter of One Seized Macy Exhaust Slot Machine (pp 21-23)

In the Matter of Request by David J. Klynsmas to Remove His Name from the
List of Excluded Persons (pp 24-33)

QUARTERLY BUSINESS MEETING

Minutes of Quarterly Meeting September 6, 2017 (pp 34-36)

Remarks by Secretary of Revenue Andy Gerlach

Report on UNLV Sports Betting Training (pp 37-38)

Report on Global Gaming Exposition (pp 39-40)

Stipulation of Assurance and Voluntary Compliance Tina Kunka (pp 41-42)

Demonstrations by Avalon Gaming, Inc. (p 43)

Cashless System for Table Games

Tickets at the Tables (TITA)

Simulcast License Renewals

Simulcast Provider (pp 44-49)

Simulcast Site (p 50)

Distribution of Deposit in Lieu of Bond (p 51)

Termination of Deposit in Lieu of Bond (pp 52-54)

Live Horse Racing Dates (p 55)

Verendrye Benevolent Association (pp 56-61)

North East Area Horse Racing, Inc.(pp 62-73)

Allocation of Funds for 2018 Live Horse Racing Season ((pp 74-75)

Jockey Longevity Bonus (p 76)

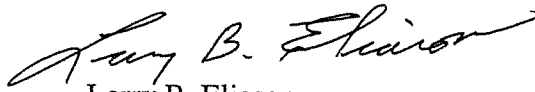
Dates of 2018 Quarterly Meetings (p 77)

Deadwood Licensing Matters (pp 78-85)

Executive Session pursuant to SDCL 1-25-2 (3) 42-7B-8 (5) and (4)

Decisions on Administrative Hearings

Adjournment



Larry B. Eliason

Executive Secretary

For access, persons with special needs may call the Commission office (605) 773-6050.



445 East Capitol Avenue
Pierre, SD 57501-3185
Phone: 605-773-6050
Fax: 605-773-6053

NOTICE OF HEARING

TO: JASON B. JEFFERY
1731 PLATEAU LANE
RAPID CITY SD 57701

IN THE MATTER OF ONE SEIZED BALLY DOUBLE JACKPOT 777 SLOT MACHINE

Notice is hereby given that a hearing will be held before the South Dakota Commission on Gaming on Thursday, November 16, 2017 at 9:00 AM in the City Commission Chambers in the Deadwood City Hall, 102 Sherman Street, Deadwood, South Dakota.

The purpose of this hearing is to determine if the Bally Double Jackpot 777 slot machine serial number 7611DT7 5002 which was seized from your residence on July 26, 2017 is contraband and may be destroyed pursuant to SDCL 42-7B-39.

This hearing is held the authority of SDCL 42-7B-39 and 42-7B-39.2.

The particular statutes involved are SDCL 42-7B-39, 42-7B-39.2, 42-7B-4(21), 22-25-13, 22-25-14 and 22-25-14.1.

The matter to be asserted is that the slot machine described above is contraband and should be destroyed.

As a result of this hearing the Commission on Gaming can order the destruction of the slot machine which was seized on July 26, 2017.

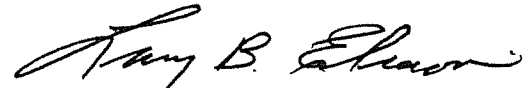
This hearing is an adversary proceeding. Any person who claims an ownership interest in the machine described above has the right to be present, to be represented by a lawyer, to call witnesses to testify in their behalf and to question witnesses who testify against them. These and other due process rights will be forfeited if they are not exercised at the hearing.

SDCL 42-7B-39.2 provides that the slot machine which was seized may be destroyed after notice and without hearing if you fail to appear at the time and place scheduled in this hearing notice.

If the amount in controversy exceeds two thousand five hundred dollars or if a property right may be terminated any party to the case may require the Commission to use the Office of Hearing Examiners by giving notice to the Commission no later than ten days after service of this Notice of Hearing.

The decision of the Commission on Gaming may be appealed to the Circuit Court and the State Supreme Court as provided by law.

Dated at Pierre, South Dakota, the 15th day of September, 2017.



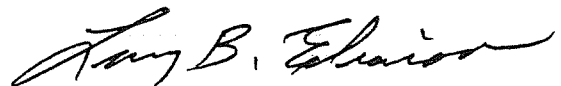
LARRY B. ELIASON
Executive Secretary

CERTIFICATE OF SERVICE

I, Larry B. Eliason, do hereby certify that I served a copy of the foregoing Notice of Hearing upon:

Jason B. Jeffery
1731 Plateau Lane
Rapid City SD 57701

by certified mail, return receipt requested with postage prepaid thereon on the 18th day of September, 2017.



LARRY B. ELIASON

42-7B-39.2. Destruction of seized slot machine. Any slot machine seized pursuant to the provisions of § 42-7B-39 may be destroyed after notice and without hearing if the person from whom the slot machine was seized fails to appear at the time and place scheduled in the hearing notice.

Source: SL 2015, ch 220, § 2.



445 East Capitol Avenue
Pierre, SD 57501-3185
Phone: 605-773-6050
Fax: 605-773-6053

NOTICE OF HEARING

TO: Scott Michael Henrikson
5860 Timberline Road
Rapid City, S. D. 57702

IN THE MATTER OF ONE SEIZED LAS VEGAS PACHINKO SLOT MACHINE

Notice is hereby given that a hearing will be held before the South Dakota Commission on Gaming on Thursday, November 16, 2017 at 9:00 AM in the City Commission Chambers in the Deadwood City Hall, 102 Sherman Street, Deadwood, South Dakota.

The purpose of this hearing is to determine if the Las Vegas Pachinko slot machine serial number 0048739 which was seized from your residence on August 17, 2017 is contraband and may be destroyed pursuant to SDCL 42-7B-39.

This hearing is held the authority of SDCL 42-7B-39 and 42-7B-39.2.

The particular statutes involved are SDCL 42-7B-39, 42-7B-39.2, 42-7B-4(21), 22-25-13, 22-25-14 and 22-25-14.1.

The matter to be asserted is that the slot machine described above is contraband and should be destroyed.

As a result of this hearing the Commission on Gaming can order the destruction of the slot machine which was seized on August 17, 2017.


This hearing is an adversary proceeding. Any person who claims an ownership interest in the machine described above has the right to be present, to be represented by a lawyer, to call witnesses to testify in their behalf and to question witnesses who testify against them. These and other due process rights will be forfeited if they are not exercised at the hearing.

SDCL 42-7B-39.2 provides that the slot machine which was seized may be destroyed after notice and without hearing if you fail to appear at the time and place scheduled in this hearing notice.

If the amount in controversy exceeds two thousand five hundred dollars or if a property right may be terminated any party to the case may require the Commission to use the Office of Hearing Examiners by giving notice to the Commission no later than ten days after service of this Notice of Hearing.

The decision of the Commission on Gaming may be appealed to the Circuit Court and the State Supreme Court as provided by law.

Dated at Pierre, South Dakota, the 18th day of October 2017.

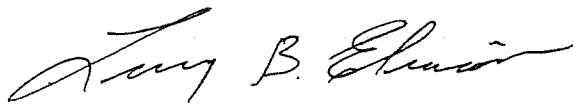

LARRY B. ELIASON
Executive Secretary

CERTIFICATE OF SERVICE

I, Larry B. Eliason, do hereby certify that I served a copy of the foregoing Notice of Hearing upon:

Scott Michael Henrikson
5860 Timberline Road
Rapid City, S. D. 57702

by certified mail, return receipt requested with postage prepaid thereon on the 19th day of October, 2017.


LARRY B. ELIASON

5



NOTICE OF HEARING

445 East Capitol Avenue
Pierre, SD 57501-3185
Phone: 605-773-6050
Fax: 605-773-6053

TO: B. Y. Development, Inc. D/B/A Cadillac Jack's Casino

Notice is hereby given that a hearing will be held before the South Dakota Commission on Gaming on Thursday, November 16, 2017 at 9:00 AM in the City Commission Chambers in the Deadwood City Hall, 102 Sherman Street, Deadwood, South Dakota.

The purpose of this hearing is to take action on three complaints that were filed against GR Deadwood, B. Y. Development, Inc. by Brandon Snyder, an enforcement agent of the South Dakota Commission on Gaming, on August 17, 2017. By stipulation of the parties these complaints will be consolidated into one action for purposes of pleading and hearing.

This hearing is held under the authority and jurisdiction of ARSD 20:18:10:01, 20:18:10:05 and 20:18:10:11 and SDCL 42-7B-32 and 42-7B-35.

The particular statute is SDCL 42-7B-35.

Copies of the statutes and rules cited above are available at the Commission on Gaming office at 87 Sherman Street, Deadwood, South Dakota or the Commission's website www.dor.sd.gov/Gaming.

The matters to be asserted are (1) that a person who was 14 years old was allowed to play a slot machine at Cadillac Jack's on August 8, 2017 and ; (2) that a person who was 15 years old was allowed to play a slot machine at Cadillac Jack's on August 8, 2017 and (3) that a person who was 16 years old was allowed to play a slot machine at Cadillac Jack's on August 8, 2017.

As a result of this hearing the Commission on Gaming can revoke or suspend all gaming licenses held by B.Y. Development, Inc. and impose a monetary penalty on the corporation in an amount not to exceed three hundred thousand dollars, one hundred thousand dollars for each alleged violation, or both .

This hearing is an adversary proceeding and will be conducted as a "contested case" in accordance with SDCL Chapter 1-26. BY Development, Inc. has a right to be present at the hearing, to be represented by a lawyer, to call witnesses to testify on its behalf and to question witnesses who testify against it.. These and other due process rights will be forfeited if they are not exercised at the hearing.

If the amount in controversy exceeds two thousand five hundred dollars or if a property right may be terminated any party to the case may require the Commission to

use the Office of Hearing Examiners by giving notice to the Commission no later than ten days after service of this Notice of Hearing, which is issued pursuant to SDCL 1-26-17.

The decision of the Commission on Gaming based on the hearing may be appealed to the circuit court and the State Supreme Court as provided by law.

Dated at Pierre, South Dakota the 27th day of September, 2017.



Larry B. Eliason

CERTIFICATE OF SERVICE

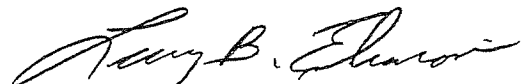
I, Larry B. Eliason, do hereby certify that I served a copy of the foregoing Notice of Hearing upon:

Roger A. Tellinghuisen
Attorney at Law
DeMersseman, Jensen, Tellinghuisen & Huffman LLP
P. O. Box 1820
Rapid City, S. D. 57709-1820

with a copy to:

Michael F. Shaw
Attorney at Law
P. O. Box 160
Pierre, S.D. 57501

by first class mail with postage prepaid thereon on the 27th day of September, 2017.



Larry B. Eliason

STATE OF SOUTH DAKOTA
DEPARTMENT OF REVENUE
SOUTH DAKOTA COMMISSION ON GAMING

South Dakota Commission
On Gaming

Plaintiff,

vs.

BY DEVELOPMENT INC dba Cadillac Jack)
SDCG Operator License # 0196-OP

Defendant.

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)
Initial Complaint Filed
Pursuant to
ARSD 20:18:10:01

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)
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)
)
Complaint Number
16-08-045-BS

The Complaint is made against the following Licensee:

BY DEVELOPMENT INC dba Cadillac Jack
SDCG Operator License # 0196-OP

Generally, Licensee has engaged in conduct constituting grounds for disciplinary action.
The conduct complained against is as follows:

On Tuesday August 8th, 2017, I, Special Agent Brandon Snyder, while on routine patrol in plain clothes, observed an underage 14 year old playing on a slot machine at Cadillac Jack's in Room 2. Upon further investigation, I observed on recorded video surveillance the 14 year old play multiple slot machines on and off for about 30 minutes. By permitting an underage player to gamble the licensee violated 42-7B-35, which is a class 1 misdemeanor.

SDCL 42-7B-35 Age of participants--Violation as misdemeanor. states: Age of participants--Violation as misdemeanor. Any participant in any gaming shall be twenty-one years or older. No licensee may permit any person who is less than twenty-one years of age to participate in any gaming. A violation of this section by a participant is a Class 1 misdemeanor and a violation by a licensee is a Class 1 misdemeanor and may form the basis for revocation of a retail license.

By permitting underage players to participate in gaming the licensee has violated 42-7B-35.

Dated this 17th day of August, 2017.

Name of complaint - Brandon Snyder

Address - 87 Sherman St.
Deadwood, SD 57732
(605) 578-3074

The following witness could give testimony about the complaint.

Brandon Snyder (Enforcement Agent, SDCG)
87 Sherman St.
Deadwood, SD 57732
(605) 578-3074

TIM ATYEO
12969 LEWTON DRIVE
STURGIS, SD 57785

PHILLIP HARRIS
22 CENTENNIAL AVENUE
DEADWOOD, SD 57732

NOTICE TO:

PAUL J. BRADSKY
927 MAIN STREET
RAPID CITY, SD 57701-2639 USA

(DEFENDANT)

You are hereby notified that this complaint has been received by the executive secretary. Pursuant to the rules you have 20 (twenty) days to answer this complaint. The answer may admit, deny, qualify, or explain the allegations contained in the complaint. You must file an original with the executive secretary of the South Dakota Commission on Gaming. Attach additional sheets of paper listing additional witnesses if necessary. Please mail response to the following address:

South Dakota Commission on Gaming
Executive Secretary
Larry Eliason
445 East Capitol Avenue
Pierre, S. D. 57501-3185

Dated this 17th day of August, 2017.

A handwritten signature in black ink, appearing to read 'Brandon Snyder', written over a horizontal line.

Brandon Snyder
Enforcement Agent, SDCG
87 Sherman Street
Deadwood, SD 57732

STATE OF SOUTH DAKOTA
DEPARTMENT OF REVENUE
SOUTH DAKOTA COMMISSION ON GAMING

South Dakota Commission
On Gaming

Plaintiff,

vs.

BY DEVELOPMENT INC dba Cadillac Jack)
SDCG Operator License # 0196-OP

Defendant.

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Initial Complaint Filed
Pursuant to
ARSD 20:18:10:01

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)
Complaint Number
16-08-051-BS

The Complaint is made against the following Licensee:

BY DEVELOPMENT INC dba Cadillac Jack
SDCG Operator License # 0196-OP

Generally, Licensee has engaged in conduct constituting grounds for disciplinary action.
The conduct complained against is as follows:

On Tuesday August 8th, 2017, I, Special Agent Brandon Snyder, while on routine patrol in plain clothes, observed an underage 14 year old playing on a slot machine at Cadillac Jack's in Room 2. Upon further investigation, I observed on recorded video surveillance a 16 year old play multiple slot machines on and off for about 30 minutes. By permitting an underage player to gamble the licensee violated 42-7B-35, which is a class 1 misdemeanor.

SDCL 42-7B-35 Age of participants--Violation as misdemeanor. states: Age of participants--Violation as misdemeanor. Any participant in any gaming shall be twenty-one years or older. No licensee may permit any person who is less than twenty-one years of age to participate in any gaming. A violation of this section by a participant is a Class 1 misdemeanor and a violation by a licensee is a Class 1 misdemeanor and may form the basis for revocation of a retail license.

By permitting underage players to participate in gaming the licensee has violated 42-7B-35.

Dated this 17th day of August, 2017.

Name of complaint - Brandon Snyder

Address - 87 Sherman St.
Deadwood, SD 57732
(605) 578-3074

The following witness could give testimony about the complaint.

Brandon Snyder (Enforcement Agent, SDCG)
87 Sherman St.
Deadwood, SD 57732
(605) 578-3074

TIM ATYEO
12969 LEWTON DRIVE
STURGIS, SD 57785

PHILLIP HARRIS
22 CENTENNIAL AVENUE
DEADWOOD, SD 57732

NOTICE TO:

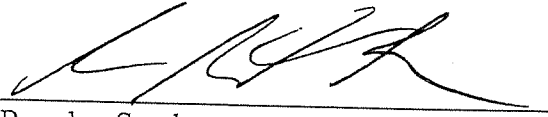
PAUL J. BRADSKY
927 MAIN STREET
RAPID CITY, SD 57701-2639 USA

(DEFENDANT)

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South Dakota Commission on Gaming
Executive Secretary
Larry Eliason
445 East Capitol Avenue
Pierre, S. D. 57501-3185

Dated this 17th ^{day} of August, 2017.

A handwritten signature in black ink, appearing to read 'Brandon Snyder', written over a horizontal line.

Brandon Snyder
Enforcement Agent, SDCG
87 Sherman Street
Deadwood, SD 57732

Name of complaint - Brandon Snyder

Address - 87 Sherman St.
Deadwood, SD 57732
(605) 578-3074

The following witness could give testimony about the complaint.

Brandon Snyder (Enforcement Agent, SDCG)
87 Sherman St.
Deadwood, SD 57732
(605) 578-3074

TIM ATYEO
12969 LEWTON DRIVE
STURGIS, SD 57785

PHILLIP HARRIS
22 CENTENNIAL AVENUE
DEADWOOD, SD 57732

NOTICE TO:

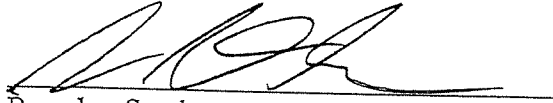
PAUL J. BRADSKY
927 MAIN STREET
RAPID CITY, SD 57701-2639 USA

(DEFENDANT)

You are hereby notified that this complaint has been received by the executive secretary. Pursuant to the rules you have 20 (twenty) days to answer this complaint. The answer may admit, deny, qualify, or explain the allegations contained in the complaint. You must file an original with the executive secretary of the South Dakota Commission on Gaming. Attach additional sheets of paper listing additional witnesses if necessary. Please mail response to the following address:

South Dakota Commission on Gaming
Executive Secretary
Larry Eliason
445 East Capitol Avenue
Pierre, S. D. 57501-3185

Dated this 17th ~~day~~ of August, 2017.

A handwritten signature in black ink, appearing to read 'BSnyder', written over a horizontal line.

Brandon Snyder
Enforcement Agent, SDCG
87 Sherman Street
Deadwood, SD 57732



Cadillac Jack's Gaming Resort
360 Main Street
Deadwood SD 57732
Phone: 605.578.1500
Fax: 605.722.7080

September 5th, 2017

Larry Eliason
Executive Secretary
South Dakota Commission on Gaming
445 East Capital Avenue
Pierre, South Dakota 57501

Dear Mr. Eliason,

In response to three complaints filed by the South Dakota Commission on Gaming dated August 17th 2017 (Complaint #'s 16-08-045-BS, 16-08-050BS and 16-08-051BS), BY Development, Inc. d/b/a Cadillac Jacks Gaming Resort admits that three violations of SDCL 42-7B-35 (age of participants) occurred on August 8, 2017 as detailed in the Initial Complaint filed by Gaming Commission Enforcement Agent Brandon Snyder.

Cadillac Jacks Gaming Resort admits the findings by Special Agent Brandon Snyder that on the evening of August 8th 2017 between 8:05 p.m. and 8:40 p.m. while an adult male and three minors were present at Cadillac Jacks Gaming Resort, three underage persons played slot machines in the casino.

Prior to Special Agent Snyder's observation of a 14 year old playing a slot machine at 8:40 p.m., Casino Manager Tim Atyeo, the acting floor supervisor that evening, was informed by cocktail waitress Anna Rose Goodman that at 8:28 p.m. she saw a girl touching the slot machine that the adult was playing. Mr. Atyeo immediately went to the location in gaming room #2 where the adult male was playing Wheel of Fortune and noticed a minor was standing next to the machine. Mr. Atyeo did not observe the minor playing a slot machine at that time. Mr. Atyeo informed the adult male that kids had to stand at least three feet behind the machine. The adult acknowledged this directive as did the minor female and she promptly moved behind him

Unbeknownst to casino staff, but according to recorded video surveillance, the adult male accompanying the three minors, later identified as the father to the three minors, did not comply with Mr. Atyeo's very specific instructions. After Mr. Atyeo left, the father allowed another member of his group, also a minor, to sit at and begin playing another slot machine he was sitting next to. Cadillac Jack's Gaming Resort would like to note that the adult male accompanying the three minors had allowed the minors to play slot machines even after the specific admonition from Casino Manager Tim Atyeo's re: underage persons not being allowed to be within three feet of a gaming device.

At 8:40 p.m. on August 8th 2017 Special Agent Brandon Snyder made his observation of a 14 year old playing a slot machine. After the initial finding, Special Agent Brandon Snyder returned in the following

days to investigate the situation further. A thorough review of video surveillance from that evening was undertaken by Cadillac Jack's staff.

Additional instances of the minors playing slot machines prior to this event at 8:40 p.m. were found during a review of recorded video surveillance by Special Agent Snyder. During Cadillac Jack's in-house review of the recorded video surveillance of this evening, it was observed that the adult male gave each one of the three minors cash at various times and he was observed pointing and motioning to them to go play slot machines in gaming room #2 at Cadillac Jack's.

The adult male accompanying the three minors listed in Complaint #'s 16-08-045-BS, 16-08-050-BS and 16-08-051-BS encouraged the minor children to play slot machines prior to Mr. Atyeo's interaction at 8:29:01 p.m.. The minors were seated at gaming machines for a total of 13 minutes 30 seconds and had an actual slot play time of 4 minutes 6 seconds prior to Mr. Atyeo's intervention. The adult male also encouraged the minors to continue to play even after Mr. Atyeo's admonishment that minors had to stand at least 3 feet away from the slot machines. The minor children sat at and played machines for an additional 5 minutes 19 seconds after Mr. Atyeo warned the adult male.

During Special Agent Snyder's initial investigation it was learned that the adult male may have been a Mexican National. Mr. Atyeo reviewed surveillance footage with Special Agent Snyder and during that time Special Agent Snyder called and spoke with Special Agent Mark Heltzel and asked for guidance on how to handle the situation. It was determined between Special Agent Snyder and Special Agent Hetzel that the group should be allowed to leave and not be arrested for underage gaming. Mr. Atyeo accompanied Special Agent Snyder back to the gaming floor to speak with the group. Special Agent Snyder asked the adult male what his relationship was to the minor children and the adult male responded "This is my family". The minor male then continued the conversation with Special Agent Snyder. During this time it was learned that the kids were from Colorado. Special Agent Snyder informed the group that underage gaming was an offense they could be arrested for. Special Agent Snyder then informed the group that they would not be arrested, but they had to leave Deadwood immediately. The group informed Special agent Snyder that they would leave as they were staying in Spearfish. Special Agent Snyder asked Casino Manager Mr. Atyeo if this solution was okay and Mr. Atyeo said it was.

Cadillac Jack's Gaming Resort has a policy in place to ask for identification for any gaming patrons that appear under the age of 30 years old. However in this case the staff failed to recognize the underage minors present on the gaming floor. Cadillac Jack's has been diligent in the identification and compliance of SDCL 42-7B-35 up to this unfortunate occurrence. The floor staff of Cadillac Jack's has been informed and the staff is aware of the severity of this situation.

In an effort to ensure compliance with SDCL 42-7B-35 (age of participants) the staff has been instructed to communicate with each other on the gaming floor and to be aware of their surroundings when minors are present. Cadillac Jack's also has a policy where minors are not allowed on the gaming floor after 9:00pm. Cadillac Jack's has also placed stickers on each slot machine near the bill validators that say "Must Be 21 to Play" and also has utilized it's digital in house display network to include a panel that reads "Must be 21 to Play". This message has also been displayed digitally on machine service windows and top boxes of certain games. Cadillac Jack's would like to note that this incident is by no means a

reflection on how we conduct business in our establishment. On a day to day basis the staff directs and informs adults with minors of the rules involving minors on the gaming floor. I would also like to note that as recent as August 4th 2017 the Deadwood Police Department conducted a periodic check involving a controlled attempt to purchase alcohol beverages by a person not yet 21 years of age. Our establishment was approached and did not sell to the minor.

Sincerely,

A handwritten signature in cursive script, appearing to read "David Schneider".

David Schneider
General Manager
Cadillac Jacks Gaming Resort
360 Main Street
Deadwood, South Dakota 57732

STATE OF SOUTH DAKOTA
DEPARTMENT OF REVENUE
SOUTH DAKOTA COMMISSION ON GAMING

SOUTH DAKOTA COMMISSION
ON GAMING,

PLAINTIFF,

-vs-

BY DEVELOPMENT, INC.
d/b/a CADILLAC JACK'S
CASINO,

DEFENDANT.

**STIPULATION TO CONSOLIDATE
COMPLAINTS 16-08-045BS,
16-08-050BS AND 16-08-051BS**

The Commission on Gaming having issued three separate complaints against BY Development, d/b/a Cadillac Jack's Gaming Resort, Complaints No. 16-08-045BS, 16-08-050BS and 16-08-051BS, all alleging violations of SDCL § 42-7B-35 (age of gaming participants) and all dated August 17, 2017. The parties hereto being represented by the undersigned hereby

STIPULATE AND AGREE to consolidate the complaints into one action for purposes of pleading and hearing.

Dated this 25 day of September, 2017.

SOUTH DAKOTA COMMISSION ON GAMING

BY: 

Michael F. Shaw

Attorney for SDCG

503 South Pierre Street

P.O. Box 160

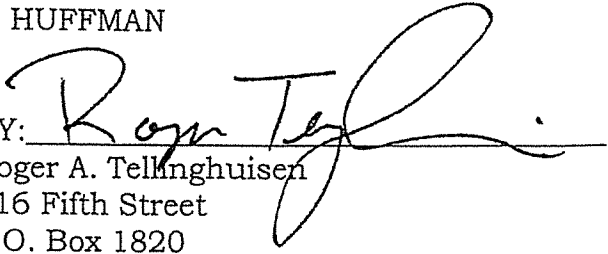
Pierre, South Dakota 57501

Telephone: (605)224-8803

E-mail: mfs@mayadam.net

DeMERSSEMAN JENSEN TELLINGHUISEN
& HUFFMAN

BY:


Roger A. Tellinghuisen

516 Fifth Street

P.O. Box 1820

Rapid City, South Dakota 57709-1820

Telephone: (605)342-2814

E-mail: roger@demjen.com



445 East Capitol Avenue
Pierre, SD 57501-3185
Phone: 605-773-6050
Fax: 605-773-6053

NOTICE OF HEARING

TO: Stephen Thomas Greene
22999 Shields Road
Rapid City, S. D. 57702

IN THE MATTER OF ONE SEIZED MACY EXHAUST PACHINKO SLOT MACHINE

Notice is hereby given that a hearing will be held before the South Dakota Commission on Gaming on Thursday, November 16, 2017 at 9:00 AM in the City Commission Chambers in the Deadwood City Hall, 102 Sherman Street, Deadwood, South Dakota.

The purpose of this hearing is to determine if the Macy Exhaust Pachinko slot machine serial number 061615 which was seized from your residence on October 10, 2017 is contraband and may be destroyed pursuant to SDCL 42-7B-39.

This hearing is held the authority of SDCL 42-7B-39 and 42-7B-39.2.

The particular statutes involved are SDCL 42-7B-39, 42-7B-39.2, 42-7B-4(21), 22-25-13, 22-25-14 and 22-25-14.1.

The matter to be asserted is that the slot machine described above is contraband and should be destroyed.

As a result of this hearing the Commission on Gaming can order the destruction of the slot machine which was seized on October 10, 2017.

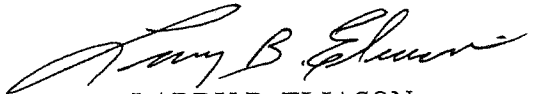
This hearing is an adversary proceeding. Any person who claims an ownership interest in the machine described above has the right to be present, to be represented by a lawyer, to call witnesses to testify in their behalf and to question witnesses who testify against them. These and other due process rights will be forfeited if they are not exercised at the hearing.

SDCL 42-7B-39.2 provides that the slot machine which was seized may be destroyed after notice and without hearing if you fail to appear at the time and place scheduled in this hearing notice.

If the amount in controversy exceeds two thousand five hundred dollars or if a property right may be terminated any party to the case may require the Commission to use the Office of Hearing Examiners by giving notice to the Commission no later than ten days after service of this Notice of Hearing.

The decision of the Commission on Gaming may be appealed to the Circuit Court and the State Supreme Court as provided by law.

Dated at Pierre, South Dakota, the 18th day of October 2017.


LARRY B. ELIASON
Executive Secretary

CERTIFICATE OF SERVICE

I, Larry B. Eliason, do hereby certify that I served a copy of the foregoing Notice of Hearing upon:

Stephen Thomas Greene
22999 Shields Road
Rapid City, S. D. 57702

by certified mail, return receipt requested with postage prepaid thereon on the 19th day of October, 2017.


LARRY B. ELIASON



445 East Capitol Avenue
Pierre, SD 57501-3185
Phone: 605-773-6050
Fax: 605-773-6053

NOTICE OF HEARING

IN THE MATTER OF:

Request by David J. Klynsma to Remove His Name from the
List of Excluded Persons

Notice is hereby given that a hearing will be held before the South Dakota Commission on Gaming on Thursday, November 16, 2017, at 9:00 a.m. in the City Commission Chambers in the Deadwood City Hall, 102 Sherman Street, Deadwood, South Dakota.

The purpose of this hearing is to take action on the request of David J. Klynsma to have his name removed from the South Dakota Commission on Gaming List of Excluded Persons.

This hearing is held under the authority and jurisdiction of SDCL Ch. 1-26, SDCL 42-7B-61, 42-7B-62 and ARSD 20:18:08.01:02

The particular statutes and rule involved are SDCL 42-7B-61, 42-7B-62 and ARSD 20:18:08.01:02

Copies of the statutes and rules cited above are available at the Commission on Gaming office at 87 Sherman Street, Deadwood, South Dakota or the Commission's website at www.dor.sd.gov/gaming

The matters to be asserted are that in May 2014, David J. Klynsma pleaded guilty to one count of sexual contact with a child under 16 and received an Order Suspending Imposition of Sentence and was placed on probation for a period of 7.5 years. Based upon this guilty plea, David Klynsma's gaming license was revoked by the Commission and his name was added to the list of excluded persons. On June 28, 2017, the Circuit Court entered an Order of Dismissal and Discharge of Suspended Imposition of Sentence and discharged David Klynsma from probation. Following this order, David Klynsma has requested that the Commission remove his name from the List of Excluded Persons.

As a result of this hearing the Commission on Gaming can grant the request by David J. Klynsma to remove his name from the List of Excluded Persons or not grant the request.

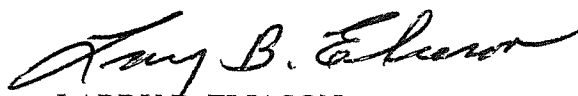
This hearing is an adversary proceeding and will be conducted as a "contested case" in accordance with SDCL Chapter 1-26. David Klynsma has a right to be present at the hearing, to be represented by a lawyer, to testify in his own behalf, to call witnesses to testify on his behalf and to question witnesses who testify against him. These and other due process rights will be forfeited if they are not exercised at the hearing.

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If the amount in controversy exceeds two thousand five hundred dollars or if a property right may be terminated any party to the case may require the Commission to use the Office of Hearing Examiners by giving notice to the Commission no later than ten days after service of this Notice of Hearing, which is issued pursuant to SDCL 1-26-17.

The decision of the Commission on Gaming may be appealed to the Circuit Court and the State Supreme Court as provided by law.

Dated at Pierre, South Dakota, the 21st day of October, 2017.




LARRY B. ELIASON
Executive Secretary

CERTIFICATE OF SERVICE

I, Larry Eliason, do hereby certify that I served a copy of the foregoing Notice of Hearing upon:

Roger A. Tellinghuisen
Attorney for David J. Klynsma
P. O. Box 1820
Rapid City, S. D. 57709-1802

by first class mail with postage prepaid thereon on the 23rd day of October, 2017.


Larry B. Eliason

**DEMERSSEMAN JENSEN
TELLINGHUISEN & HUFFMAN, LLP**

L A W Y E R S

P.O. BOX 1820, RAPID CITY SD 57709-1820
516 FIFTH STREET, RAPID CITY SD 57701-2703

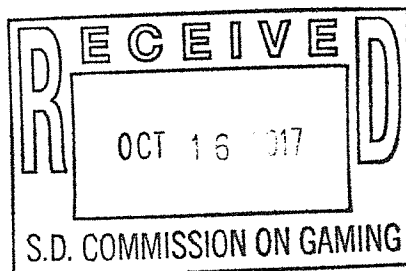
MICHAEL B. DEMERSSEMAN
CURTIS S. JENSEN
MICHAEL V. WHEELER
RICHARD E. HUFFMAN
GREGORY J. SPERLICH, ATTORNEY AT LAW, P.C.
ROGER A. TELLINGHUISEN
ELIZABETH M. FREDERICK

October 13, 2017

TELEPHONE
605-342-2814

FAX
605-342-0732

Larry Eliason
Executive Secretary
South Dakota Commission on Gaming
445 East Capitol Avenue
Pierre, SD 57501



Re: David J. Klynsma

Dear Mr. Eliason:

I am writing on behalf of David J. Klynsma to request his removal from the South Dakota Commission on Gaming Exclusion List.

In May 2014, David pled guilty to one count of sexual contact with a child under 16. He received a suspended imposition of sentence and was placed on probation at that time. Shortly thereafter, David's license as a key employee for LIV Hospitality was revoked by the Gaming Commission, and a few months later he was placed on the Exclusion List.

On June 28, 2017 Circuit Court Judge Craig Pfeifle entered an Order of Dismissal and Discharge (of) Suspended Imposition of Sentence, dismissing the charge to which David pled guilty and discharging him from probation. A copy of the Order of Dismissal and Discharge Suspended Imposition of Sentence is attached hereto.

David is 33 years old, married, and the father of two young sons. The events which led to David's plea of guilty in 2014 occurred between January 2002 and December 2003. Prior to and since, David has never been in trouble with the law. This was a very troubling time in his life which he will be available to go into more detail about before the Commission, should that be requested.

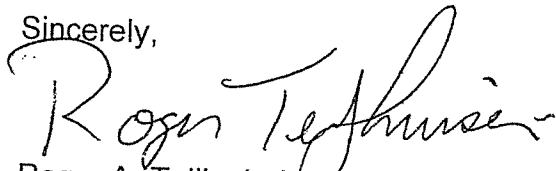
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October 13, 2017
Page 2

David is a gifted information technology specialist. His current employer, LIV Hospitality, would like to see David once again hold a gaming license so that he can assist them with their gaming technology. Obviously, before David can apply for a license, he'll need to get off the Exclusion List. We would respectfully request that this matter be placed before the Commission at their next meeting for consideration of David's request. I anticipate that we will be submitting additional information to the Commission prior to that hearing. However, if there is anything specific that you believe the Commission would require, please advise and we will try to get it to you as quickly as possible.

Thank you.

Sincerely,



Roger A. Tellinghuisen roger@demjen.com
DEMERSSEMAN JENSEN
TELLINGHUISEN & HUFFMAN, LLP

RT:ca

Cc: Client

STATE OF SOUTH DAKOTA
COUNTY OF PENNINGTON

IN CIRCUIT COURT
SEVENTH JUDICIAL CIRCUIT

STATE OF SOUTH DAKOTA, Plaintiff

vs

David J Klynsma, Defendant

DATE OF BIRTH: 08/11/1984

ARREST DATE: 01/08/2014,

**ORDER OF DISMISSAL AND DISCHARGE
SUSPENDED IMPOSITION OF SENTENCE**

DOCKET NO: 51CRI13-004815

Defendant in the above captioned matter having pled guilty on May 23, 2014, to the offense of SEXUAL CONTACT CHILD UNDER 16, and the Court having suspended the imposition of sentence and having placed the defendant on probation on the 11th day of July, 2014, pursuant to SDCL 23A-27-13. It appearing to the Court upon proper showing that the Defendant has observed all the conditions of probation imposed by the Court,

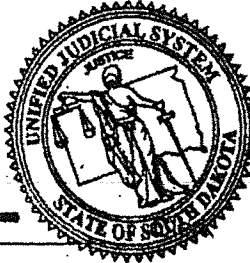
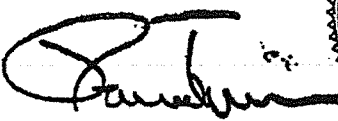
IT IS ORDERED that the above-entitled action be, and hereby is, dismissed and the defendant discharged from probation.

IT IS FURTHER ORDERED that all official records in this action be sealed, along with all recordation relating to the defendant's arrest, indictment or information, trial, and dismissal and discharge.

IT IS FURTHER ORDERED that the fingerprinting contributor request from the Federal Bureau of Investigation, return to the contributor all fingerprint identifying data submitted to the Federal Bureau of Investigation for purposes of disqualifications or disabilities imposed by law for convictions of a crime.

Dated this 28 day of May, 20 17

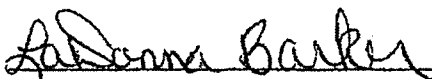
ATTEST:



BY THE COURT:



Circuit Court Judge Craig A. Pfeifle


 , Deputy

COPIES TO:

1 - Defendant
1 - Sheriff/Police Department
1 - Certified - DCI
1 - State's Attorney

Pennington County, SD
FILED
IN CIRCUIT COURT

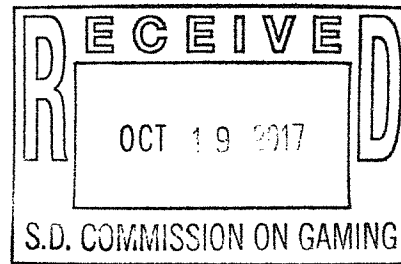
JUN 29 2017

Garco Trueman, Clerk of Courts
By  Deputy

UJS 508

revised 02/10

Larry Eliason
Executive Secretary
South Dakota Commission on Gaming
445 East Capitol Avenue
Pierre, SD 57501



10/16/17

Dear Mr. Eliason,

My name is David Klynsma and I'm writing you to request my removal from the South Dakota Commission on Gaming Exclusion List.

In mid-2014, I pled guilty to sexual contact with a child under 16. This was for an act I committed against a family member back when I was teenager near the year 2000. I'm extremely ashamed and embarrassed for what I have done, yet throughout my hearings and later conviction I was open and honest with everyone on what happened. Though my actions were my own, a troublesome household and family situation contributed to my poor decisions when I was young. Should you require that I go into more detail about the event that lead to my conviction, please let me know.

I have been through numerous counseling sessions since my conviction to address the issues of my youth and continued talking with a counselor after completing the mandatory court-ordered sessions. Though this matter has been difficult on our marriage, as you can no doubt imagine, my wife has stayed by my side and we even celebrated the planned birth of our youngest son in mid-2016. The family my wife and I have made is the most important thing to me and I have vowed to make sure my sons do not have the same experiences, nor make the same mistakes that I did.

In addition to my wife, the representatives of Liv Hospitality have stuck by my side. Everyone is fully aware of what I did back in 2000 yet they support me here today and the person I have become. I request to be removed from the Exclusion List so I may once again hold a gaming license to offer my support in Deadwood on their gaming systems.

I hope that you can accept that this was a crime that was committed long ago even prior to previous Gaming License issuance. I am the same eligible person you previously granted a license to and I have not been in trouble with the law otherwise. And now that I have been discharged from Probation and have an Order of Dismissal and Discharge of Suspended Imposition of Sentence, I hope that you will strongly consider my request. Thank you.

Sincerely,

David Klynsma

42-7B-61. List of persons to be excluded--Entrance in violation as misdemeanor--Penalty for failure to exclude or eject persons on list. The commission may, by rules promulgated pursuant to chapter 1-26, provide for the establishment of a list of persons who are to be excluded or ejected from any licensed gaming establishment, including any person whose presence in the establishment is determined to pose a threat to the interest of the State of South Dakota or to licensed gaming, or both. In making the determination for exclusion, the commission may consider any of the following:

- (1) Prior conviction of a felony, a misdemeanor involving moral turpitude, or a violation of the gaming laws of any state, the United States, any of its possessions or territories including Indian tribes;
- (2) A violation, attempt to violate or conspiracy to violate the provisions of this chapter relating to the failure to disclose an interest in a gaming establishment for which the person must obtain a license or make disclosures to the commission; or intentional evasion of fees or taxes;
- (3) Notorious or unsavory reputation that would adversely affect public confidence and trust that the gaming industry is free from criminal or corruptive influences; or
- (4) Conduct that would adversely affect public confidence that gaming is conducted honestly.

Any person who has been placed on the list of excluded persons by the commission, after July 1, 2014, who enters a licensed gaming establishment after receiving notice as required by § 42-7B-62, is guilty of a Class 1 misdemeanor.

The commission may suspend, revoke, or penalize a licensee or licensed gaming establishment as set forth in § 42-7B-32, after notice and hearing pursuant to chapter 1-26, if that establishment or any licensee affiliated with the licensed gaming establishment knowingly fails to exclude or eject from the premises of the licensed establishment any person placed on the list of persons to be excluded.

Source: SL 1990, ch 343, § 25; SL 2014, ch 207, § 1.

42-7B-62. Notice to excluded person. If the name and description of any person is placed on the exclusion list, the commission shall serve notice of that action upon the person by at least one of the following means:

- (1) By personal service;
- (2) By certified or registered mail to the last known address of the person; or
- (3) By publication in an official newspaper in Lawrence County, South Dakota.

A person placed upon the exclusion list may contest that action by filing a written protest with the commission and the protest shall be heard by the commission as a contested case pursuant to chapter 1-26.

Source: SL 1990, ch 343, § 26; SL 1991, ch 24, § 17.

20:18:08.01:02. Criteria for exclusion. The criteria to be applied by the commission to prepare a list of persons to be included on the exclusion list are the criteria set forth in SDCL 42-7B-61, any one of which is sufficient for placement of a person on the list.

The commission, in its discretion, may establish evidence of notorious or unsavory reputation, as that term is used in SDCL subdivision 42-7B-61(3), by identification of a person's criminal activities in a published report of any state or federal legislative or executive body that has inquired into various aspects of criminal activities and in the report or investigation of any state or federal law enforcement agency that has inquired into or investigated criminal activities. This evidence may also include any state or federal crime commission, legislative study or legislative subcommittee study on crime, any presidential commission on crime, or any state or federal law enforcement agency or authority report.

The commission, in its discretion, may establish evidence of conduct that would adversely affect public confidence that gaming is conducted honestly, as that term is used in SDCL subdivision 42-7B-61(4), by any one of the following criteria:

- (1) The person's character, background, past activity is incompatible with the maintenance of public confidence and trust in the credibility, integrity, and stability of licensed gaming;
- (2) The person's character, background, or past activity could reasonably be expected to impair the public perception of, and confidence in, the strict regulatory process created by SDCL Chapter 42-7B and ARSD Article 20:18;
- (3) The person's character, background, or past activity could create or enhance a risk of the fact or appearance of unsuitable, unfair, or illegal practices, methods or activities in the conduct of gaming or in the business or financial arrangements incidental thereto; or
- (4) Any other factor reasonably related to the maintenance of public confidence in the efficacy of the regulatory process and the integrity of gaming operations and the gaming industry and its employees.

Race, color, creed, national origin or ancestry, or sex is not a reason for inclusion of a person upon the exclusion list.

Before a name is placed on the exclusion list, the commission shall first informally review the information or evidence in its possession and make a determination that there is sufficient reason to believe that any one of the criteria specified in SDCL 42-7B-61 is applicable to the candidate. At least three commission members shall concur in such decision at an informal investigative hearing conducted by the commission which may be conducted in executive session. No formal meeting of the commission is required to reach such a decision.

Source: 41 SDR 7, effective July 29, 2014.

General Authority: SDCL 42-7B-7, 42-7B-61.

Law Implemented: SDCL 42-7B-7, 42-7B-11(11), 42-7B-61.

UNAPPROVED MINUTES

South Dakota Commission on Gaming Proposed Rule Changes Hearing and Quarterly Business Meeting Deadwood City Hall, Deadwood, South Dakota

MINUTES

September 6, 2017

At 9:00 a.m. the meeting was called to order. Commissioner Dennis McFarland, Commissioner Tim Holland, Commissioner Karl Fischer, and Commissioner Mike Wordeman were present. Commissioner Karen Wagner participated telephonically for a portion of the executive session. Staff members present for the meeting were Michael Shaw, Commission Attorney; Larry Eliason, Executive Secretary; Craig Sparrow, Deputy Executive Secretary.

The meeting was called to order by Chairman Holland.

No conflicts of interest were noted on the agenda.

Proposed Rule Changes

Horse Racing Rules

20:04:20:17 and 20:04:20:103

Commissioner Wordeman made a motion to adopt the rule changes as outlined on pages 1-5 in the meeting packet. Commissioner Fischer seconded the motion which carried unanimously.

20:04:24:124

Commissioner Fischer made a motion to adopt the rule change as outlined on pages 8-9 in the meeting packet. Commissioner McFarland seconded the motion which carried unanimously.

ADW Account Holder Deposits Rule

20:04:33:03

Commissioner Wordeman made a motion to adopt the rule change as outlined on pages 10-12 in the meeting packet. Commissioner Fischer seconded the motion which carried unanimously.

Deadwood Table Game Variation Rules

**Tri Lux Bonus (Blackjack)
Cover all Bonus (Poker)
Sharp Shooter (Craps)
Texas Hold'em Variation**

Commissioner Wordeman made a motion to adopt the rule changes as outlined on pages 13-30 in the meeting packet. Commissioner Fischer seconded the motion which carried unanimously.

After the rules hearing a brief recess was taken at 10:39 a.m.

UNAPPROVED MINUTES

General Meeting

Commissioner Holland called the general meeting to order at 10:48 a.m.

Agenda Item

Larry Eliason, Executive Secretary, requested that the agenda item, Report on Track Audits, be moved to Executive Session.

June 21, 2017 Quarterly Meeting

Commissioner McFarland made a motion to adopt the minutes as drafted for the June 21, 2017 quarterly meeting. Commissioner Fischer seconded the motion which carried unanimously.

August 16, 2017 Special Meeting

Commissioner McFarland made a motion to adopt the minutes as drafted for the August 16, 2017 special meeting. Commissioner Fischer seconded the motion which carried unanimously.

Report on Racing Regulatory Costs

Larry Eliason, Executive Secretary, provided a breakdown of the regulatory costs for the 2017 live horse racing season. This was for information purposes only so no formal action was taken.

Report on Association of Racing Commissioners International Summer Meetings

Larry Eliason, Executive Secretary, and Commissioner Dennis McFarland attended the meetings and each gave a brief report.

Schedule of Next Meeting

The next quarterly meeting is scheduled for November 16, 2017.

Deadwood Licensing Matters

Key License Approvals

Deputy Executive Secretary Sparrow recommended approval of the following Key Licenses:

- | | |
|----------------------|---------------|
| ✓ Toby Plymale | ✓ Philip Coon |
| ✓ Michael Holbert | ✓ Daniel Ryan |
| ✓ Damitrus Farruggia | |

Commissioner McFarland made a motion to approve the Key License approvals as staff recommended. Commissioner Wordeman seconded the motion which carried unanimously.

UNAPPROVED MINUTES

Executive Session

Commissioner McFarland made a motion to go into Executive Session. Commissioner Wordeman seconded the motion which carried unanimously.

At 10:58 a.m. the Commission went into Executive Session pursuant to SDCL 1-25-2 (3), 1-25-2 (1) and SDCL 42-7B-8.1 (5).

The Executive Session was concluded at 12:12 p.m.

Commissioner McFarland made a motion to come out of Executive Session with formal action to be taken. Commissioner Wordeman seconded the motion which carried unanimously.

Race Track Audits

Based on the audit of Northeast Area Horse Racing, Inc. Commissioner McFarland made a motion to approve **Resolution Number 09-06-17-02**. The South Dakota Commission on Gaming hereby authorizes the Executive Secretary to notify Dacotah Bank, of Aberdeen, South Dakota, that the Commission hereby releases any claims it may have against Irrevocable Letter of Credit Number 5427714 dated March 20, 2017 naming Northeast Area Horse Racing, Inc. as the Borrower and the South Dakota Commission on Gaming as the Beneficiary. Commissioner Wordeman seconded the motion which carried unanimously.

Commissioner McFarland made a motion that the Executive Secretary, Larry Eliason, and Operations Manager, Susan Christian send a letter to the Verendrye Benevolent Association with conditions that will be required to be met to comply for the 2018 horse racing season. Commissioner Wordeman seconded the motion which carried unanimously. Commissioner Fischer recused himself from the motion.

With no further business to be discussed Commissioner McFarland made a motion to adjourn the meeting. Commissioner Wordeman seconded the motion which carried unanimously.

The meeting was adjourned at 12:17 p.m.

Respectfully Submitted,

Kathy Fredericksen

Tim Holland, Chairman

Larry B. Eliason, Executive Secretary

STATE OF SOUTH DAKOTA



COMMISSION ON GAMING

696 Main-Street, 2nd Floor
Deadwood, SD 57732
Phone: (605) 578-3074
FAX: (605) 578-2263

DATE: October 4, 2017
TO: SD Commission on Gaming
Larry Eliason, Executive Secretary
FROM: Craig Sparrow, Deputy Exec. Secretary
RE: Training-UNLV

On September 20th and 21st, I attended a class titled Understanding Sports Betting presented by UNLV International Center for Gaming Regulation. The primary presenters Jennifer Roberts and Gregory Gemignani are both adjunct professors at UNLV's school of law. The majority of the audience were regulators from the United States with a few gaming company representatives.

Although some of the discussion centered on the New Jersey case currently before the U.S. Supreme Court and the laws currently presenting roadblocks to legalized sports wagering, the emphasis of the class was on how sports betting currently operates and regulating it.

In Nevada, wagering on horse racing and sporting events are a separate license from the one they operate their casinos under. Their wagering pool is limited to patrons in the State of Nevada and approximately 40% the handle is being generated by mobile applications. The sports book operators pay a tax of 6.75% on the win to the State of Nevada plus a .25% federal excise tax on the Handle to the Federal Government.

The Win generated by Nevada sports books is reported at less than 5% from which they pay the taxes, operating expense and overhead. Sports Wagering is seen as an amenity to the casinos and many contract with an outside sports wagering company to offer that amenity. The Nevada sports wagering industry is described as just trying to manage the risk meaning they don't try to pick winners, they try to balance the betting on both sides of the event and they are happy just taking their vigorish, sometimes referred to as "the Vig, the Juice, the Cut, the Take...". One of the primary reason for the limited number of independent sports books is they need higher volume of action to help manage the risk and keep the book in balance.

It was the opinion of the presenters and most everybody in attendance that regardless of the New Jersey decision with the US Supreme Court that attitudes regarding wagering has shifted and changes to current laws that present roadblocks is forthcoming. The professional sports organizations have soften their attitudes towards it and the key to getting the NFL on board is when they figure out how they can profit from it. The NCAA still opposes it which is critical for sports wagering because the 2nd and 3rd largest wagering activities are college football and basketball.

Even with a positive outcome for New Jersey from the U.S. Supreme Court, other laws beyond Professional & Amateur Sports Protection Act of 1992 (PASPA) like the Interstate Wire Act of 1961 creates issues. This law not only prohibits the transmission of a wire communication between states which entitles the recipient to receive money or credit as a result of bets or wagers, it also prohibits the transmission of information between states assisting in the placing of bets or wagers like setting odds.

In jurisdictions with a smaller population like South Dakota this could create issues with having a large enough pool to balance the book while trying to manage the risk. There would need to be another exemption carved out in the Wire Act similar to the one that allows Wide Area Progressives jackpots in the casino industry to operate between states so that sports book operators could combine betting pools to get the liquidity necessary.

Creighton Felt with the Nevada Gaming Control Board Special Investigations and Intelligence Unit said in his experience that problems relating to Sports Wagering in Nevada have been less about risk to the integrity of the sporting event and more about the activities surrounding the wagering activity. Money laundering continues to be an item they are on alert for. Since the margin for sports wagering is low, the sports book operators actively watch for betting patterns and communicate with sanctioning organizations like the NFL, NCAA, NBA, etc. and the Nevada Gaming Control Board about any anomalies they identify.

As part of the class we toured two sports book, one at the Wynn and the second was the offices of William Hill who contracts with several casinos to operate over 75 sports books in Nevada in addition to wagering kiosk and mobile wagering. An interesting area within William Hill was the room where wagering activity from the different sports books was being monitored and bets that met a certain criteria were being approved. Due to regulations about knowing your customer and managing the risk of the sports book, operators had the ability to access different databases and cameras to identify bettors and analyze betting patterns before accepting the wagers.



445 East Capitol Avenue
Pierre, SD 57501-3185
Phone: 605-773-6050
Fax: 605-773-6053

TO: Commissioners

FROM: Larry Eliason, Executive Secretary *LE*

SUBJECT: Global Gaming Expo

DATE: October 27, 2017

I attended the 2017 Global Gaming Expo (G2E), which was held at the Sands Convention Center in Las Vegas October 3-5, 2017. G2E is sponsored by the American Gaming Association (AGA) in cooperation with the National Indian Gaming Association and is recognized as one of the largest casino gaming shows in the world. G2E features displays of all types of gaming devices and nongaming equipment or services provided to casinos and a series of panel discussions and keynote speakers. The following are some of my "take away points" from various presenters.

During a panel discussion of scams and cheats one speaker noted that in 2016 the Nevada Gaming Control Board staff investigated 300 cases of theft from casinos, 194 fraud or cheating cases and 62 cases of underage gambling. Twenty percent of the theft cases were committed by casino employees. Some of the fraud cases involve collusion between a dealer and a player such as the dealer not collecting on losing bets or overpaying the customer when they "color up."

Nevada Gaming Control agents are seeing trends that the following types of crimes are being committed more often: counterfeiting, armed robberies and chip grabs and rail thefts. Nevada had 90 cases where counterfeit \$50 or \$100 bills were passed at a casino cage or table game. The speaker said casino employees should check every bill for the water mark.

He said sports books are the most vulnerable point in casinos for armed robberies because the cashier cages there do not have security windows.

During a meeting with regulators representatives of the AGA said that group wants gaming regulatory agencies to eliminate credit checks as a part of their background investigation process for gaming licenses and wants applicants to file their fingerprints electronically and to conduct interviews by video conference or skype rather in person.

During one of the breaks I had an opportunity to visit with Paula Hart, the Director of the Office of Indian Gaming in the U. S. Department of the Interior. She advised me that the

Lower Brule Sioux Tribe's proposal to use land now in trust at Oacoma for gaming is now at the Department of the Interior Washington, D.C. level.

The Federal regulations do not set a timeframe for the Secretary of the Interior or his designee to act on such requests. If the Secretary or his designee does concur with the Tribe's position the proposal will be sent to the Governor for his concurrence or nonoccurrence. The Governor has 180 days from the date he gets the proposal to send the Department his concurrence or nonoccurrence. The Governor or the Tribe can request an extension of an additional 180 days.

I told Director Hart that I had attended a couple of public meetings on the project and that some local officials are opposed to it. Oacoma officials have expressed two concerns 1) flooding of the residential part of town by spring snow melt runoff because that area is downhill from the proposed casino site and replacing the existing vegetation with a paved parking lot would increase the amount of spring flooding. and 2) the casino/hotel project would use the Oacoma waste water treatment facility and that is a lagoon facility which is already at maximum capacity. Director Hart said, "Local opposition (to such facilities) matters to this administration."

During a panel on data security and privacy one of the speakers said third party technology providers "should be audited to ensure that they are doing what they said they are doing."

New Jersey has adopted anti cyber hacking regulations. Each casino in New Jersey has a technical security officer who is **not** the IT director. The technical security officer reports directly to the Board of Directors of the casino and reports any problems with data security to gaming regulators.

During a panel discussion on sports wagering David Rebeck, director of the New Jersey Division of Gaming Enforcement, said "Online gambling will explode if you get sports wagering. Thirty to forty percent of sports betting is done with mobile devices and to do that you need to be online."

Operators of tribal casinos want to be in a position of offer sports wagering if it becomes legal.

The director of the Ontario gaming regulatory body said, "Organized crime is heavily involved in sports wagering."

Next year G2E will be held at the same location October 8-11, 2018. One of the members of the organizing committee told me that I will be asked to be a speaker at that Expo but she did not indicate the panel or topic that I would be asked to discuss.

Cc: Mike Shaw
Craig Sparrow

pd
C#1977
R#45395

STATE OF SOUTH DAKOTA
DEPARTMENT OF REVENUE
SOUTH DAKOTA COMMISSION ON GAMING

SOUTH DAKOTA COMMISSION
ON GAMING,

PLAINTIFF

STIPULATION AND ASSURANCE

VS.

OF VOLUNTARY COMPLIANCE

TINA KUNKA

DEFENDANT

RECITALS

A complaint was filed against the Defendant on August 17, 2017 by Mark Heltzel, an enforcement agent for the South Dakota Commission on Gaming.

The parties wish to resolve the complaint by a Stipulation of Assurance and Voluntary Compliance.

An Informal Consultation was held between the Deputy Executive Secretary and the Defendant on Monday, September 18, 2017.

I

The complaint which was filed on August 17, 2017 alleged that the Defendant engaged in conduct constituting grounds for disciplinary action by allowing a patron to place wagers on roulette that exceeded the posted table limits on at least five occasions on August 11, 2017 while working as a dealer at Cadillac Jack's Casino, a licensed gaming establishment.

II

The Defendant answered the complaint on or about August 29, 2017. In her answer Ms. Kunka admitted the conduct that was alleged in the complaint.

III

For the conduct described in the complaint the Deputy Executive Secretary imposes a monetary penalty of One Hundred Dollars (\$100.00) to be paid to:

South Dakota Commission on Gaming

445 East Capitol Avenue

Pierre, S. D. 57501

not later than October 3, 2017.

IV

The Defendant recognizes that this Stipulation of Assurance and Voluntary Compliance will be made a public record.

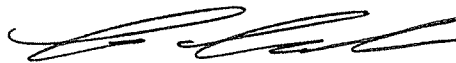
V

The Defendant recognizes that this Stipulation of Assurance and Voluntary Compliance is subject to the approval of the South Dakota Commission on Gaming and that execution of this document does not prohibit the Commission from re-opening this matter for further investigation which could lead to an administrative hearing before the Commission and further disciplinary action against the Defendant.

DATED at Deadwood, South Dakota, the 8 day of September, 2017



CRAIG SPARROW
Deputy Executive Secretary
South Dakota Commission on Gaming

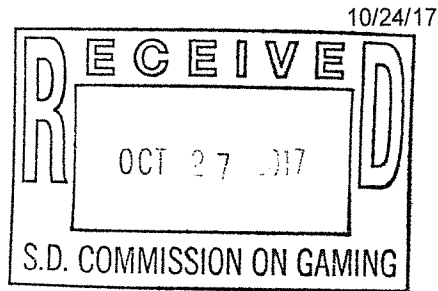


TINA KUNKA
Defendant

AVALON

GAMING, inc.

Larry B. Eliason
Executive Secretary
South Dakota Gaming Commission
445 East Capitol Ave
Pierre, S.D. 57501




Larry

I have been contacted by a couple of your licensed casino's in Deadwood about some of the products that we are distributing in other jurisdictions. One of them is a cashless system for the tables where credits and cash can be loaded onto a card and used like cash at the tables. That customer was the folks over at Mineral Palace. South Dakota may or may not be ready for this method of gaming yet but it shows promise with some of your properties in Deadwood.

Also the folks at the Cadillac Jack property want us to show you the Tickets at the Tables. We call that TITA. It is the same as the Ticketing from the slot machines. We would like the opportunity to come up and demonstrate this Technology in a short demo with the manufacture Representative from Count R. We wanted to do that at the next quarterly business meeting on November 16th 2017.

We look forward to introducing you to some of the Technology going into other gaming jurisdictions and answering your questions about it.

Sincerely,



Ray Beard
Avalon Gaming, Inc.
P.O. Box 1254
Berthoud, CO 80513

SOUTH DAKOTA COMMISSION ON GAMING

445 E CAPITOL AVE

PIERRE SD 57501

SIMULCAST PROVIDER RENEWAL APPLICATION

BUSINESS NAME: AmWest Entertainment OTB, LLC

LICENSE NO: 0011 - GH

BUSINESS ADDRESS: 13011 W Highway 42, Suite 107, Prospect, KY 40059

Type of Business ☐ Corporation ☐ Partnership ☒ LLC ☐ Other

PRINCIPAL OWNERS

PERCENT OF OWNERSHIP

1. Name: Nelson E. Clemmens 100.00 %

SSN: [REDACTED]

Address: [REDACTED]
Goshen, KY 40026

2. Name: _____ %

SSN: _____

Address: _____

3. Name: _____ %

SSN: _____

Address: _____

4. Name: _____ %

SSN: _____

Address: _____

(IF THERE ARE ADDITIONAL OWNERS PLEASE ATTACH INFORMATION TO THE BACK OF THIS APPLICATION)

✓ Please list all sites at which you currently simulcast in South Dakota

Triple Crown

Location (Business)

108 Military Road

Street

N. Sioux, SD 57049

City



Location (Business)

Street

City



Location (Business)

Street

City



Location (Business)

Street

City



✓ Please list South Dakota cities in which you plan to open simulcast locations during the renewal year.

N/A



- ☐ ✓ Please list all host tracks you intend to receive during the renewal year.

HORSE TRACKS

Please see attachment

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GREYHOUND TRACKS

Please see attachment

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ARRESTS, DETENTIONS AND LITIGATIONS WITHIN THE LAST YEAR:
For each listed Principal

Include those arrests in which any owner was not convicted or charges were dismissed. (If the answer is yes to any of the following questions, furnish details on a separate page.)

- | | |
|---|---|
| 1. Have any of the owners been questioned, detained, indicted, arrested, or summoned to answer for any criminal offense or violation for any reason whatsoever, regardless of the disposition of the event (except minor traffic citations, but including reckless driving, DUI, or eluding)? | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| 2. Have any of the owners ever been or are on parole/probation to any court? | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| 3. Have any of the owners received a pardon for any criminal act(s)? | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| 4. Has a criminal indictment, information, or complaint ever been returned against any of the owners, but for which the owner was not arrested, or in which the owner was named as an un-indicted co-party? | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| 5. Have any of the owners, within the past year, been subpoenaed to appear to testify before a federal, state or county grand jury, board or commission? | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| 6. Have any of the owners filed bankruptcy, been a party to civil litigations, civil actions, had any judgment, been taken to small claims court or been found to be in default of any financial matters within this past year? | <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |
| 7. Do all of the owners listed consent to an investigation of their background and police records and waive any rights or causes of action that they may have against the South Dakota Commission on Gaming and any other individual or agency disclosing or releasing said information to the South Dakota Commission on Gaming? | <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |

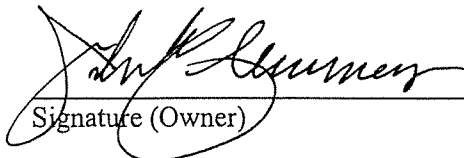
I, Nelson E. Clemmens, declare and affirm under the penalties of perjury that this Application, and any statements, attachments, supporting schedules and documents have been examined by me, and to the best of my knowledge and belief, are in all things true and correct. I understand that any person who signs such a statement knowing the same to be false or untrue, in whole or in part, shall be guilty of perjury.


Signature (Preparer)

Nelson E. Clemmens
Title(Preparer)

10/06/2017
Date

SIGNATURE OF OWNERS


Signature (Owner)

Nelson E. Clemmens
Printed Name

10/6/2017
Date

Signature (Owner)

Printed Name

Date

Signature (Owner)

Printed Name

Date

RACETRACKS CONTRACTED WITH AMWEST ENTERTAINMENT LLC

Horse Tracks

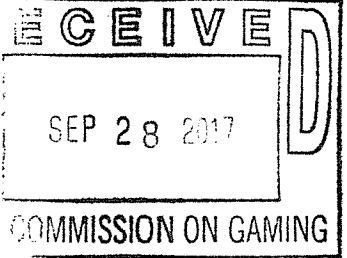
| | |
|-----------------------|-----------------------|
| Ajax Downs | Grand River RC |
| Albuquerque Downs | Gulfstream Park |
| Aqueduct | Hanover |
| Arapahoe Park | Harrah's Chester |
| Arlington Park (OTB) | Harrington |
| Argentina-Palermo | Hastings Racecourse |
| Assiniboia Downs | Hawthorne |
| Australia | Hazel Park |
| Bangor Raceway | Hialeah Park |
| Batavia Downs | Hippodrome 3R |
| Belmont | Hoosier Park (OTB) |
| Belterra | Horsemen's Park |
| Buffalo Raceway | Illinois State Fair |
| Cal Expo | Indiana Downs (OTB) |
| California Fairs | Irish Racing |
| Canterbury (OTB) | Japan |
| Century Downs | Kawartha Downs |
| Charles Town | Keeneland |
| Charlottetown | Kentucky Downs |
| Churchill Downs (OTB) | Laurel Park |
| Clinton | Lebanon Raceway (OTB) |
| Columbus | Lone Star Park |
| Dayton | Los Alamitos |
| Del Mar | Louisiana Downs |
| Delaware Co Fair | Mahoning Valley |
| Delaware Park | Meadowlands |
| Delta Downs | Mohawk |
| Dover Downs | Monmouth Park |
| Dubai | Monticello Raceway |
| Ellis Park | Mountaineer |
| Evangeline Downs | New Zealand |
| Fair Grounds (OTB) | Northfield Park |
| Fairmount Park | Northlands Park |
| Finger Lakes | Northville Downs |
| Flamboro Downs | Oaklawn Jockey Club |
| Fonner Park | Ocean Downs |
| France | Penn National |
| Fraser Downs | Philadelphia Park |
| Freehold Raceway | Pimlico |
| Georgian Downs | Plainridge Racecourse |
| Golden Gate | Pleasanton |

| |
|----------------------|
| Pocono Downs |
| Pompano Park |
| Portland Meadows |
| Prairie Meadows |
| Presque Isle Downs |
| Red Mile |
| Remington Park |
| Retama Park |
| Rideau Carleton |
| Rosecroft |
| Ruidoso Downs |
| Running Aces |
| Sam Houston |
| Sandy Downs |
| Santa Anita |
| Santa Rosa |
| Saratoga |
| Saratoga Harness |
| Scarborough Downs |
| Scioto Downs |
| South Africa |
| Suffolk Downs |
| Summerside |
| Sun Ray Park |
| Sunland Park |
| Sweetwater Downs |
| Tampa Bay Downs |
| The Meadows |
| Thistledown |
| Timonium Fair |
| Tioga Downs |
| Truro Raceway |
| Turf Paradise |
| Turfway Park |
| UK Racing |
| Vernon Downs |
| Western Fair Raceway |
| Will Rogers Downs |
| Woodbine |
| Yonkers |
| Zia Park |

Greyhound Tracks

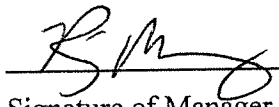
| |
|--------------------|
| Birmingham GH |
| Daytona Beach KC |
| Dubuque GHP |
| Flagler GHP |
| Irish Greyhound |
| Jacksonville |
| Mardi Gras GHP |
| Mobile |
| Naples/Ft. Myers |
| Night of Stars |
| Orange Park |
| Palm Beach KC |
| Sarasota KC |
| Southland GHP |
| St. John GHP |
| St. Petes KC (OTB) |
| Tampa Bay GHP |
| Tri-State GHP |
| Tucson GHP |
| Valley Race Park |
| Wheeling Downs |

Nelson Clemmens was included in a preference payment adversary proceeding that was initiated on January 27, 2014 by the Revstone Industries, LLC Bankruptcy Receiver against over 30 defendants including financial institutions, businesses, corporations and professional services providers in an attempt to recover payments made to these parties based on the argument that Revstone was insolvent during a period going back 2-3 years before it filed for bankruptcy.



SIMULCAST SITE RENEWAL APPLICATION

SOUTH DAKOTA COMMISSION ON GAMING

445 E CAPITOL AVE
PIERRE SD 57501NAME OF BUSINESS: Triple Crown CasinoPHYSICAL ADDRESS: 110 Military Road
(Street)N. Sioux City SD 57049
(City) (State) (Zip Code)MAILING ADDRESS: PO BOX 88250
(If different than above) (Street)Sioux Falls SD 57109
(City) (State) (Zip Code)TELEPHONE NUMBER: 605 232-4038NAME OF PROVIDER: Rick McKinneyNAME OF MANAGER: Rick McKinney
(Name of person in charge of day-to-day operations)
Signature of Manager9.25.17
Date

Resolution Number 11-16-17-01

The South Dakota Commission on Gaming hereby authorizes Michael F. Shaw and Larry B. Eliason to withdraw funds from the Certificate of Deposit in Lieu of Bond that is on deposit with BankWest in Pierre, South Dakota, for the following purposes:

To make payments of taxes and fees due the Commission on Gaming from Bettor Racing, Inc. and

To pay account holders as defined in ARSD 20:04:33:01 (3) for their account balances not to exceed \$10,000 per account after these amounts have been verified by a Commission auditor.

After payments of funds for the purposes cited above have been completed and any bank fees have deducted from the Certificate of Deposit Mr. Shaw and Mr. Eliason are authorized to release the remaining funds to a bank account designated by the Chapter 7 Trustee in Case Number 17-40455 in the United States Bankruptcy Court for the District of South Dakota, Southern Division.

Mr. Eliason and Mr. Shaw are further authorized to execute in the name of the Commission such Stipulations or other agreements as they deem reasonably necessary to effectuate the terms of this Agreement.

The authorization provided for herein is contingent upon approval of the above-described payments by the United States Bankruptcy Court for the District of South Dakota.

This action is taken by the Commission on Gaming meeting at Deadwood, South Dakota on the 16th day of November 2017.

Tim Holland
Chairman

RESOLUTION NUMBER 11-16-17-04

Pursuant to Section 5 of the Deposit in Lieu of Bond dated March 9, 2017 the South Dakota Commission on Gaming hereby authorizes Larry B. Eliason and Michael F. Shaw to terminate the Certificate of Deposit held at First National Bank in Fort Pierre, S. D. and to return any funds in the Certificate to Joe Thorne.

Dated at Deadwood, South Dakota the 16th day of November, 2017.

Tim Holland
Chairman

DEPOSIT IN LIEU OF BOND AGREEMENT

THIS AGREEMENT is made and entered into the 9 day of March, 2017 by and between Joe G. Thorne, of 29215 Prairie Place, Pierre, South Dakota, 57501 and the South Dakota Commission on Gaming ("the Commission"), 445 East Capitol Avenue, Pierre, South Dakota 57501.

RECITALS

A. The Verendrye Benevolent Association ("VBA") is a not for profit corporation which is an applicant for a license from the Commission to conduct live horse racing under SDCL Chapter 42-7 at Fort Pierre, South Dakota on April 29 & 30, 2017, and May 6 & 7, 2017.

B. Joe G. Thorne is President of the board of directors of the VBA.

C. At its meeting of November 17, 2016 the Commission approved the racing dates referenced above and placed conditions on the license of the VBA.

D. One of the conditions placed on the license and the approval of the racing dates by the Commission was that the VBA obtain an irrevocable line of credit in the amount of \$60,000.00 to be used if necessary to pay purses, salaries, wagers and payments to vendors for goods and services provided to the VBA in conducting its horse racing operations.

E. In lieu of a third party line of credit the Commission has agreed to accept a cash deposit in the amount of \$60,000.00.

F. Joe G. Thorne has advanced funds to secure a Certificate of Deposit to be used in lieu of the third party line of credit referenced above.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which is acknowledged by each party hereto, the parties AGREE as follows:

1. Certificate of Deposit number 216930 in the amount of \$60,000.00 ("Certificate") has been established at First National Bank, Fort Pierre, South Dakota, to be held in the name of the South Dakota Commission on Gaming, federal tax identification number 46-6000364 and shall be the exclusive property of the Commission subject to the terms of this Agreement.

2. It is understood and agreed by the parties that draws may only be made on the Certificate upon the signatures of Michael F. Shaw, attorney for the Commission, and Larry B. Eliason, Commission Executive Secretary, after being authorized to do so by the Commission for one or more of the following purposes:

a) To pay purses to owners of horses that have competed at the Fort Pierre race track;

b) To pay salaries or wages of persons who were employed by the VBA in the conduct of its racing operations; and,

c) To pay vendors for goods and services provided to the VBA in conducting its racing operations.

3. Any interest earned on the Certificate shall be added to the principal balance of the Certificate and may be used by the Commission for any of the reasons set forth above, but shall inure to the benefit of Joe Thorne and shall be paid to Joe Thorne upon the termination of this agreement unless the funds have been withdrawn in accordance with this Agreement. Joe Thorne shall be responsible to pay any income taxes on interest earned on the Certificate.

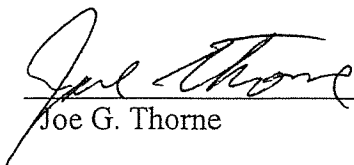
4. Joe Thorne grants the Commission a security interest in the Certificate referenced above and the contents thereof to secure VBA's obligations pursuant to the conditions of its license and consents to the filing of a financing statement with the South Dakota Secretary of State for the purpose of perfecting said security interest and hereby appoints the Commission as his attorney in fact for the limited purpose of executing said financing statement on his behalf. In the alternative, if required by the Commission, Joe Thorne agrees to execute a Deposit Control Agreement to perfect the Commission's interest in the Certificate.

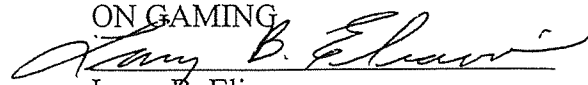
5. Upon the Commission's approval, this Agreement may be terminated and the Certificate shall be redeemed upon the signatures of Joe G. Thorne, Michael F. Shaw, and Larry B. Eliason and any funds remaining in the Certificate referenced above, including interest if any, shall be returned to Joe Thorne.

6. This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit which pertains to or affects this Agreement shall be venued in Hughes County, South Dakota.

7. Any notices or communications required under this Agreement shall be sent to: Joe G. Thorne 29215 Prairie Place, Pierre, South Dakota and to the South Dakota Commission on Gaming, ATTN: Larry B. Eliason, Executive Secretary, 445 East Capitol Avenue, Pierre, South Dakota 57501.

Dated the 9 day of March 2017.


Joe G. Thorne

SOUTH DAKOTA COMMISSION
ON GAMING

Larry B. Eliason
Its Executive Secretary



445 East Capitol Avenue
Pierre, SD 57501-3185
Phone: 605-773-6050
Fax: 605-773-6053

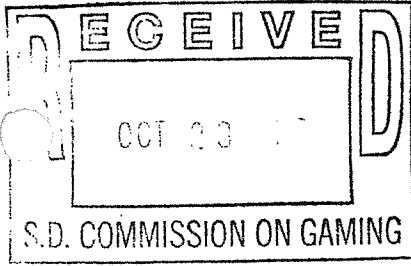
TO: Commissioners
FROM: Larry Eliason, Executive Secretary
SUBJECT: Track Bonds and Insurance
DATE: November 2, 2017

I recommend that the Commission require as a condition of any horse track's license that the corporation or association which holds the license obtain an insurance policy or policies with limits of \$ 1 Million naming the South Dakota Commission on Gaming and its agents and employees as additional insureds. The policy or policies shall include general liability, liquor liability, jockey insurance and horse racing activities.

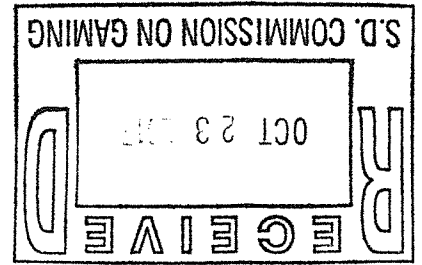
I also recommend that each track be required to obtain a Letter of Credit to be used if necessary to pay purses, salaries, wages and payments to vendors for goods and services provided to the association or corporation in conducting its racing operations in the following amounts:

Verendrye Benevolent Association \$42,000.00

North East Area Horse Racing, Inc. \$50,000.00



South Dakota Commission on Gaming
445 East Capitol Avenue
Pierre, S.D. 57501
Phone 605-773-6050 Fax 605-773-6053



Application for Live Horse Racing Meet

Name of Applicant Verendrye Benevolent association

Address PO Box 426 FT Pierre SD 57532
P. O. Box City State Zip

Location of the racetrack Stanley County Fairgrounds

List planned racing dates: April 28 - 29 - 2018
May 5 - 6 2018

Post time for the first race each day 1:00 PM

Indicate types of races to be conducted:

X Thoroughbred X Quarter Horse Paint X Mixed

Number of races planned each day 8

Types of wagers to be offered; daily double - Late daily double
Trifecta - quinnella

Attach as Exhibit A the names of all officers, directors and shareholders of the corporation.

Attach as Exhibit B a copy of the lease agreement for use of the racetrack and related facilities.

Attach as Exhibit C a description of the qualifications and experience of the officers and directors of the corporation in conducting racing establishments for the preceding five years.

Attach as Exhibit D a statement of the assets and liabilities of the applicant.

Indicate purse distribution schedule:

Purse of \$1,000 to \$3,000: First 49 % Second 25 % Third 14 % Fourth 7 %
Fifth 5 % Sixth 0 % Seventh 0 % Eighth 0 %

Purse \$3,001 and up: First 49 % Second 20 % Third 10 % Fourth 7 %
Fifth 5 % Sixth 4 % Seventh 3 % Eighth 2 %

56

List the names of persons who will serve as officials of the race meeting,

Racing Secretary William Floyd
Association Steward Doug Runge
Clerk of Scales Jim Gregg
Jockey Room Custodian Jim Gregg
Starter Shane Kramme
Assistant Starter Kenny Olson
Handicapper William Floyd
Timers Photo finish Timers + Lake Distribution + Video
Horse Identifier Jerry Duncan
Paddock Judge Jerry Duncan
Mutuel Manager Eric Booth
Outriders Everett Longland + Bryan Bower

I PATRICK F SUTLEY declare and affirm under the penalties of perjury that this application and any statements, attachments, supporting schedules or documents have been examined by me and to the best of my knowledge and belief are in all things true and correct. I understand that any person who signs such a statement knowing the same to be false or untrue in whole or in part shall be guilty of perjury.

Patrick F Sutley
General Manager or President of the Board

Subscribed and sworn to before me on the 22nd day of September, 2017.

Beverly Stoesser
Notary print name

Beverly Stoesser
Notary signature

My Commission expires:

(SEAL)

Seal of the Register of Deeds
Stanley County, South Dakota
Beverly Stoesser
Register of Deeds
Commission Expires with term of office

Exhibit A

President.....Joe Thorne
29215 Prairie Place
Pierre SD 57501

Vice President.....John Meagher
2400 E Erskine
Pierre SD 57501

Joel Caitlin
108 S Polk
Pierre SD 57501

Larry Cronin
305 W 1st Ave
Fort Pierre SD 57532

Ron Baumgart
30284 Cottonwood Place
Pierre SD 57501

Shane Kramme
29672 23rd St
Fort Pierre SD 57501

David Titze
114 E Main Ave
Fort Pierre SD 57532

**Registered Agent
Secretary**

Dennis Booth
PO Box 113
Fort Pierre SD 57532

Verenskye Benevolent Association
has the Stanley Co. Fairgrounds
from March 1 to May 7th 2018

Fairgrounds Manager,
Spill

Exhibit C

Joe Thorne, John Meagher, Joel Caitlin, Larry Cronin, David Titze, and Ron Baumgart, have been directors for over 5 years. Shane Kramme replaced Jill Pfeiffer during the 2017 year due to non-attendance at meetings. Shane has been the Starter at both Fort Pierre and Aberdeen tracks for many years.

Pat Sutley was track manager for 2017 up to the end of March when his wife had an accident which required him to resign. Pat also helped write the race card for the past 5 years.

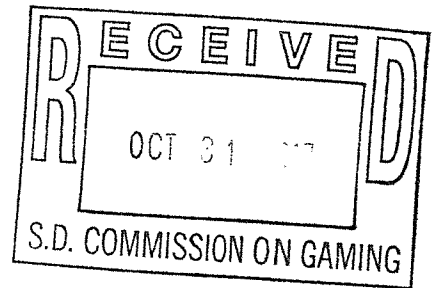
Dennis Booth- Registered agent has been with the Chamber for over 5 years and was Race Director for the years, 2013-2014-2015-2016.

Exhibit D

Liabilities.....\$ 0
Assets as of 09-29-2017.....\$47,916.71

South Dakota Commission on Gaming
445 East Capitol Avenue
Pierre, S.D. 57501
Phone 605-773-6050 Fax 605-773-6053

Application for Live Horse Racing Meet



Name of Applicant NORTHEAST AREA HORSE RACING

Address 1104 ABERDEEN SD 57401
P. O. Box City State Zip

Location of the racetrack ABERDEEN, SD.

List planned racing dates: MAY 19, 20 MAY 26, 27 - 2018

Post time for the first race each day 1:00 PM

Indicate types of races to be conducted:

☒ Thoroughbred ☒ Quarter Horse ☒ Paint ☒ Mixed

Number of races planned each day 8-10

Types of wagers to be offered; WIN, PLACE, SHOW - QUINELLA, - TRIFECTA
DAILY DOUBLES, - SUPERFECTA 5 - DAILY TRIPLES

Attach as Exhibit A the names of all officers, directors and shareholders of the corporation.

Attach as Exhibit B a copy of the lease agreement for use of the racetrack and related facilities.

Attach as Exhibit C a description of the qualifications and experience of the officers and directors of the corporation in conducting racing establishments for the preceding five years.

Attach as Exhibit D a statement of the assets and liabilities of the applicant.

Indicate purse distribution schedule:

Purse of \$1,000 to \$3,000: First 49 % Second 25 % Third 14 % Fourth 7 %
Fifth 5 % Sixth _____ % Seventh _____ % Eighth _____ %

Purse \$3,001 and up: First 49 % Second 20 % Third 10 % Fourth 7 %
Fifth 5 % Sixth 4 % Seventh 3 % Eighth 2 %

List the names of persons who will serve as officials of the race meeting,

Racing Secretary MIKE SCHMIDT

Association Steward RON S

Clerk of Scales DOUG RUNGY

Jockey Room Custodian _____

Starter SHANE KRAMME

Assistant Starter _____

Handicapper BUBBY HAAR

Timers _____

Horse Identifier RAY SAUERWEIN

Paddock Judge RAY SAUERWEIN

Mutuel Manager VERONICA JOHNSON

Outriders DOUG MOODY, JERRY DUNCAN

I MIKE SCHMIDT declare and affirm under the penalties of perjury that this application and any statements, attachments, supporting schedules or documents have been examined by me and to the best of my knowledge and belief are in all things true and correct. I understand that any person who signs such a statement knowing the same to be false or untrue in whole or in part shall be guilty of perjury.

Mike Schmidt General mgr.
General Manager or President of the Board

Subscribed and sworn to before me on the 30 day of OCT, 2017.

Ruth A. Nelson
Notary print name

Ruth A. Nelson
Notary signature

My Commission expires: 1/25/2020





NORTHEAST AREA HORSE RACING, INC.
PO BOX 1104
ABERDEEN, SD 57402-1104

EXHIBIT "A"
OFFICERS & DIRECTORS

PRESIDENT - BUBBY HAAR
VICE PRESIDENT - SHANNON YESKE
SECRETARY - KENT LARSON
TREASURER - RAY SAUERWEIN
DIRECTOR - MIKE SCHMIDT



NORTHEAST AREA HORSE RACING, INC.
PO BOX 1104
ABERDEEN, SD 57402-1104

EXHIBIT "B"

LEASE AGREEMENT (ATTACHED)

Lease Agreement
Brown County Fairgrounds and Northeast Area Horse Racing, Inc.

This agreement made and entered into this **25th day of October, 2017** by and between **Brown County**, a Public Corporation of the State of South Dakota (County), and **Northeast Area Horse Racing, Inc. (NAHR)**

Recitals

1. The County owns the Brown County Fairgrounds located in Aberdeen, South Dakota.
2. NAHR has been approved by the State of South Dakota to conduct horse racing activities in Aberdeen, South Dakota on **May 19, 20, 26, 27, 28, 2018.**
3. County and NAHR desire to enter into a lease to permit NAHR to conduct horse racing activities at the Brown County Fairgrounds.

Now, therefore, in consideration of the mutual covenants contained herein, it is hereby agreed as follows.

1. **Description of Premises:** County shall lease to NAHR the Grandstand located at the Brown County Fairgrounds together with such other space as may be necessary for the operation and maintenance of the concessions in and around such grandstands area together with the use of the Beef Barn, Open Class Sheep Barn, Secretary's Building, Hog and Sheep Barn, Expo Addition, Poultry Barn, Club House, and all Campgrounds except the South Campgrounds. The Holum Expo Building may only be used with approval of the Fairgrounds Superintendent.
2. **Term of Lease:** The term of this lease shall be that period of time in which Pari-Mutual racing is conducted by virtue of the authority awarded to the NAHR each year by the South Dakota Gaming Commission but in no event shall SD Gaming Commission dates be later than June 1st. **The lease term shall begin on May 1st and continue for a period of three days after the termination of such racing dates.** Any person affiliated with NAHR that requests to occupy any building prior to the beginning date of this lease, must have the expressed consent of NAHR. NAHR will be responsible for all utilities and any other costs associated with early occupancy.
3. **Rent:** NAHR shall pay to the County rent in the sum of Six thousand dollars **(\$6000.00)** for the current racing season. However, Three thousand Dollars **(\$3000.00)** of the rent shall be forgiven if NAHR makes a long term improvement to the facility with documentation supporting expenditures of at least **(\$3000.00)**. Said improvement shall have prior written approval by the County. In addition, NAHR shall pay Twelve dollars **(\$12.00)** per stall for setup by the County.

It will be the responsibility of the NAHR to clean all stalls that were used and remove all manure outside the barns daily during and immediately after the final race day.

4. **Use of premises:** The leased premises are to be used for Pari-Mutual racing and all activities in support of such purpose. NAHR shall restrict its use to such premises and shall not use or permit the use of the premises for any other purpose without the written consent of County.
5. **Restrictions of use:** NAHR shall not use the premises in any manner that will increase the risk covered by the insurance on the premises or will result in an increase in the rate of insurance or cancellation of the insurance policy even if such use may be in furtherance of NAHR business purposes. NAHR shall not keep, use or sell anything prohibited by any policy of fire insurance covering the premises and shall comply with all requirements of the insurer applicable to the premises necessary to keep in force the fire and liability insurance.
6. **Care of Premises:** NAHR shall:
 - a. Return the leased premises to the same condition and repair as it was in at the time NAHR took possession. This means that all areas occupied by NAHR will be cleaned and any damage items will be reported to the Brown County Fairgrounds Manager BEFORE NAHR leaves the premises.
 - b. Keep the leased premises in a clean and sanitary condition.
 - c. Not commit any nuisance or waste on the lease premises.
 - d. Keep any portion of the leased premises open to the public, safe for the public's use.
 - e. **Not allow horses to be exercised on any grass areas of the fairgrounds except those areas designated for horse walkers.**
 - f. **Not allow trailers and other equipment to be parked off of gravel or asphalt parking areas. Any trailers or equipment that is found off an established parking area will be towed from the fairgrounds.**
 - g. **Not allow horses to run unattended in the Open Horse Arena.**
 - h. Remove all manure from the fairgrounds daily and clean the Expo Addition and Petting Zoo Barns within three days after the completion of the final day of racing. All other barns will be cleaned within a two week period.

If the NAHR fails to keep and preserve the lease premises in the state of condition required in the provisions of this paragraph, County may, as its option, cause the premises to be put into a condition and state agreed upon and in such case NAHR, upon demand of County, shall pay costs thereof. The Brown County Fairgrounds Manager reserves the right to inspect any area of the premises at anytime during the time of this lease.

7. **Condition of Premises:** County shall not be obligated to make any alterations, improvements or repairs of any kind on or about the leased premises, except that, County shall prepare multi-use areas of racetrack for the beginning of the race meet and NAHR shall be responsible for the daily track maintenance.
8. **Alteration, Additions and Improvements:** County shall construct movable stalls to house race horses during Pari-Mutual racing. Such construction shall be allowed no sooner than 7 days prior to the opening date of such racing. County shall take down all stalls or other temporary improvements. NAHR shall make no charges, alterations, modifications, additions or landscaping on the premises without the express prior approval and written consent of Brown County, and any and all improvements made upon said premises shall become the property of Brown County.
9. **Non Liability of County for Damages:** County shall not be liable for claims of injury to persons or property from any cause relating to the occupancy of the premises by NAHR, including those arising out of damages or losses occurring on the sidewalks, parking lots in other areas adjacent to the leased premises during the time of this lease or any extension. NAHR shall indemnify County from all liability, loss, or other damage, claims or obligations resulting from any injuries or losses of this nature which are caused by the negligence of NAHR including attorney fees incurred by the County in the defense of any claim.
10. **Utilities:** During the lease term applications and connections for necessary utility service on the premises shall be made in the same name of NAHR and NAHR shall be solely liable for utility charges as they become due, including those for water, gas, electricity, telephone and sewer services. Sewer fee will be charged based on water usage.
11. **Insurance:** NAHR shall obtain and maintain, at its expense, insurance against liability for bodily injury and property damage all to be in amounts and forms of insurance policies as may from time to time be required by County. At the inception of the lease, such insurance shall be not less than

One Million Dollars (\$1,000,000.00) single limit. NAHR shall provide and keep in force other insurance in amounts that may from time to time be required by the County against other insurable hazards as are commonly insured against for the type of business activity that NAHR will conduct. Such insurance shall name County as an additional insured. All insurance shall be written with responsible companies that County shall approve with copies of the policies or certificates of insurance being delivered to County. All policies shall require a minimum of 30 days notice by certified mail, return receipt requested, to County of any cancellation or change affecting any interest of County.

12. **Indemnity:** NAHR shall indemnify County against all expenses, liabilities and claims of every kind, including reasonable counsel fees, by and on behalf of any person entity arising out of either (1) failure of NAHR to perform any of the terms or conditions of this lease, (2) any injury or damage happening on or about the lease premises, or (3) failure to comply with any law or any governmental authority.
13. **Quiet Enjoyment.** County warrants that NAHR shall be granted peaceful and quiet enjoyment of the leased premises free from any eviction or interference by County if NAHR pays the rent and other charges provided herein and otherwise fully and punctually performs the terms and the conditions of this lease. It shall be further understood and agreed that all forms of entertainment shall cease on the leased premises before 2:00 a.m. and buildings are closed for such purposes at or before that time.
14. **Condition of Premises:** Notwithstanding the foregoing provisions, NAHR shall be responsible for furnishing all maintenance and janitor services to keep the grandstands and toilet facilities in a neat and orderly condition during the term of the lease and is further responsible for cleanup of the concession area and parking area following the close of the racing season each year. NAHR shall be responsible for manure removal from the grounds and shall not hold County responsible for any liability associated with manure removal.
15. **Dead Animal Removal:** NAHR is to remove any dead animals from the grounds within a 24-hour period.
16. **Garbage removal:** The NAHR agrees to furnish all garbage receptacles for the fairgrounds and pay for the removal of this garbage during and immediately after the lease has ended. Receptacles are to be placed at the Grandstands, north side of the Expo Addition, north side of the Beef Barn and north side of the Hog/Sheep Barn.

17. **Prohibition on Assignment:** NAHR, its successor's, heirs, executor's or administrators shall not assign this agreement or sublease the premises or any part thereof without County's prior written consent.
18. **Default or Breach:** Each of the following events shall constitute default or breach of this lease.
- a. If the NAHR shall fail to pay the County the rent when same shall become due.
 - b. If the NAHR shall fail to perform or comply with any of the conditions or terms of the lease.
 - c. If the NAHR shall abandon the leased premises.
19. **Special Considerations: None**

Brown County, a public
Corporation of the state
Of South Dakota

Northeast Area
Horse Racing Inc.

By _____
Chairman of the Board of
Commissioners of Brown County

By _____
Its _____

Attest _____
Brown County Auditor

Fairgrounds Manager
By Kurt Smith



NORTHEAST AREA HORSE RACING, INC.
PO BOX 1104
ABERDEEN, SD 57402-1104

EXHIBIT "C" QUALIFICATIONS
OF ASSOCIATION

PRESIDENT - BUBBY HAAR -
LONG TIME RACE CALLER
TRACK HANDICAPPER
OWNER/TRAINER

VICE PRESIDENT - SHANNON YESKE
HORSE OWNER

SECRETARY - KENT LARSON -
HORSE OWNER 20 YEARS
BOARD OF DIRECTORS NAHR. 20 YEARS

TREASURER - RAY SAUERWEIN
HORSE OWNER & TRAINER 20+ YEARS
BOARD OF DIRECTORS 20+ YEARS
TRACK SUPERINTENDENT
Paddock JUDGE

DIRECTOR - MIKE SCHMIDT
BOARD OF DIRECTORS 19+ YEARS
GENERAL MANAGER NAHR 16 YEARS
RACING SECRETARY 5+ YEARS



NORTHEAST AREA HORSE RACING, INC.
PO BOX 1104
ABERDEEN, SD 57402-1104

EXHIBIT "D" BALANCE SHEET
(ATTACHED)

NorthEast Area Horseracing, Inc.
Balance Sheet

Assets

Current Assets

| | | |
|--------|-----------------------------|---------------|
| 114000 | Cash in Bank Operations | 33.03 |
| 115000 | Cash in Bank Horsemans Acct | 915.04 |
| | Total Current Assets | <u>948.07</u> |

Property and Equipment

| | | |
|--------|-------------------------------------|-------------|
| 182000 | Equipment | 55,553.80, |
| 186000 | Less: Accum. Depreciation | (55,553.80) |
| | Total Property and Equipment | |

Other Assets

Total Other Assets

Total Assets

948.07

Liabilities and Capital

| | | |
|---------------------|----------------------------------|-----------------|
| Current Liabilities | LOAN FROM MIKE SCHMIDT | 1,000.00 |
| | Total Current Liabilities | <u>1,000.00</u> |

Long-Term Liabilities

Total Long-Term Liabilities

Total Liabilities

\$1,000.00

Capital

| | | |
|--------|----------------------|----------------|
| 340000 | Retained Earnings | 2693.75 |
| | Net Income | 927.74 |
| | Total Capital | <u>3621.49</u> |

Total Liabilities & Capital

2621.49

RESOLUTION NUMBER 11-16-17-02

The South Dakota Commission on Gaming hereby makes the following allocations for purse supplements and racing operations for the 2018 live horse racing season:

To the Verendrye Benevolent Association:

\$22,000.00 from the South Dakota bred racing fund for purses for races that are restricted to South Dakota bred horses including stakes races;

\$4,000.00 per racing day from the South Dakota bred racing fund, not to exceed a maximum of \$ 16,000.00 for point money for South Dakota bred horses that compete in races that are not restricted to South Dakota bred horses and on which pari mutuel wagers and are accepted at the Stanley County Fairgrounds

\$66,000.00 from the special racing revolving fund for racing operations and

\$66,000.00 from the special racing revolving fund for purses.

All money received and dispersed by the Verendrye Benevolent Association for racing operations and purses, South Dakota Bred Fund point money, and the Horsemen's Bookkeeper's account shall be maintained in segregated bank accounts and shall not be comingled with any funds of any other organization.

To the Northeast Area Horse Racing Inc.:

\$22,000.00 from the South Dakota bred racing fund for purses for races that are restricted to South Dakota bred horses, including stakes races;

\$4,000.00 per racing day from the South Dakota bred racing fund, not to exceed a maximum of \$16,000.00 for point money for South Dakota bred horses that compete in races which are not restricted to South Dakota bred horses and on which pari mutuel wagers are accepted at the Brown County Fairgrounds

\$66,000.00 from the special racing revolving fund for racing operations and

\$66,000.00 from the special racing revolving fund for purses.

None of the funds allocated above may be used as purse supplements to any race in which less than five (5) qualified horses have been entered under the supervision of a state steward.

Track management is authorized to make adjustments in the above categories with prior approval of the Executive Secretary of the Commission.

These funds shall be made available to the race tracks upon approval of vouchers by the Executive Secretary and the purposes for which these funds are used shall be subject to an audit by the Commission's audit staff after the financial reports required by ARSD 20:04:20:10 have been furnished to the Commission.

The Executive Secretary is authorized to withhold \$4,789.00 from the distribution of the \$66,000.00 allocated to the Verendrye Benevolent Association for operations to guarantee payment of taxes and fees to the Commission until such time as the Association has paid in full all taxes and fees due the Commission for the 2018 racing season.

The Executive Secretary is authorized to withhold \$7,707.00 from the \$66,000.00 allocated to the North East Area Horse Racing, Inc. to guarantee payment of taxes and fees due the Commission until such time as the Corporation has paid in full all taxes and fees due the Commission for the 2018 racing season.

RESOLUTION NUMBER 11-16-17-03

Section 1. The Executive Secretary is authorized to reimburse the Verendrye Benevolent Association and the North East Area Horse Racing, Inc. from the special racing revolving fund for longevity payments to licensed jockeys who participate in races in South Dakota during the 2018 season according to the following criteria:

Section 2. Any jockey who has filed with the Commission staff proof of having been given a physical examination within the last year and has earned a jockey fee in at least four races per racing day or has been available to ride in races throughout each racing day (unless excused by the stewards in their sole discretion for a period of time not to exceed 2 racing days) at the Fort Pierre Race Track shall be eligible to receive a longevity payment of Five Hundred Dollars (\$500.00) to be paid at the time of payment of jockey fees for the last racing day at the Fort Pierre Race Track.

Section 3. Any jockey who has filed with the Commission staff proof of having been given a physical examination within the last year and has earned a jockey fee in at least four races per racing day or has been available to ride throughout each racing day (unless excused by the stewards in their sole discretion for a period of time not to exceed 2 racing days) at the Brown County Fairgrounds shall be eligible to receive a longevity payment of Five Hundred Dollars (\$500.00) to be paid at the time of payment of jockey fees for the last racing day at the Brown County Fairgrounds.

Section 4. Any jockey who was eligible to receive a long longevity payment under **both** Section 2 **and** Section 3 of this Resolution shall be eligible to receive an additional longevity payment of Five Hundred Dollars (\$500.00) to be paid at the time of payment of jockey fees for the last racing day at the Brown County Fairgrounds.

Section 5. A list of jockeys who are eligible to receive longevity payments shall be provided to the Horsemen's Bookkeeper by the Presiding Steward.



445 East Capitol Avenue
Pierre, SD 57501-3185
Phone: 605-773-6050
Fax: 605-773-6053

TO: Commissioners

Craig Sparrow, Deputy Executive Secretary

Mike Shaw, Legal Counsel

FROM: Larry Eliason, Executive Secretary *LE*

DATE: October 23, 2017

SUBJECT: Possible Dates for 2018 Quarterly Meetings

Based on last year's meeting dates I suggest the following dates for Quarterly Meetings of the Commission next year. Please let me know if you are aware of a scheduling conflict with these dates or if you prefer certain dates.

Wednesday, March 20, 2018 or
Thursday, March 21, 2018

Wednesday, June 20, 2018 or
Thursday, June 21, 2018

Wednesday, September 12, 2018 or
Thursday, September 13, 2018

Wednesday, November 14, 2018 or
Thursday, November 15, 2018

South Dakota Commission on Gaming
Licensing
November 16, 2017

Key License Approval

- ✓ Joseph Robinson

2018 Key Renewals

- ✓ See attached list

Business License Approvals

- ✓ Recommend approval of Patriot Gaming & Electronics, Inc. as an owner of manufacture license **(10044-MA)** with the following individuals as Owners:
 - Mark Komorowski **10042-OW**
 - Mark Nocco **10043-OW**

Ratification of Licensing Actions by the Executive Secretary per 42-7B-11 (16)

- ✓ Approval of one new retail license to Michael R. Gustafson and the assignment of the license to Best Western Hickok House **(10470-RT)** effective October 2, 2017.

STATE OF SOUTH DAKOTA



COMMISSION ON GAMING

87 Sherman Street
Deadwood, SD 57732
Phone: (605) 578-3074
FAX: (605) 578-2263

MEMORANDUM

DATE: November 1, 2017
TO: South Dakota Commission on Gaming
FROM: S/A Angela J. Wilkerson
SUBJECT: Joseph J. Robinson

Joseph Robinson is presently employed as a drop team member and slot attendant at First Gold Hotel & Gaming in Deadwood, SD. He has been with First Gold, and in his current position since April of 2017.

Robinson received a Support License with the South Dakota Commission on Gaming in March of 2017. In June of 2017, he applied for a Key License at the request of his supervisor. Robinson has had no disciplinary issues and has never been licensed in any other gaming jurisdiction.

Areas of Concern: None

Recommendation: Upon completion of this background investigation, it is recommended that Joseph J. Robinson be **approved** for a Key License. There was nothing found during the course of this investigation that would preclude him from Key licensure in Deadwood.

A handwritten signature in black ink, appearing to read "SA Angela J. Wilkerson".

Angela J. Wilkerson
Special Agent
South Dakota Commission on Gaming

**South Dakota Commission on Gaming
Licensing
November 16, 2017 Commission Meeting**

2018 Key Renewals

| | | |
|-----------------------|----------------------|-------------------|
| John Abernathy | Michael Cracco | Lewis Hall |
| Brenda Alexander | Linda Crandall | Kurt Hall |
| Jesse Allen | Elena Dagit | Patty Hall |
| Caleb Arceneaux | Genny Dahl | Joni Hamann |
| Tim Atyeo | Dakam Mohamand Dakam | David Hansen |
| Don Atyia | Rebecca Davis | Michelle Harmon |
| Beverly Bachand | Susan Day | Bruce Harmon |
| Karen Ballert | Raye Ann DeLong | Cody Hartl |
| Karen Barthel | Melody Dennis | Dennis Harris |
| Foster Bartholow, III | William DeWolf | Arnold Hauge |
| Bradford Baucom | Cindy Dillman | Karla Hawki |
| Mary Baudhuin | Bob Earwood | Suanne Hayes |
| Larry Bausch | Carol Edwards | Raymond Hayes |
| Lynae Benham | Danette Eggleston | Bradly Hemmah |
| Jeannie Bennett | Chad Eid | CJ Hester |
| Suzy Bertalot | Chawn Elliott | Karen Hickson |
| Mark Bidwell | Clifford Emmert | Linda Hochstetler |
| Bill Blakeley | Cliff Etherington | Michael Holbert |
| Vickie Blakney | Damitrus Farruggia | Paul Holst |
| Casey Borsch | David Frandrick | Janet Holzer |
| Judi Braut | Nancy Field | Brenda Hopfinger |
| Timothy Brennan | Lynda Fierbach | Terry Houk |
| April Brennan | Michelle Fischer | Darlene Hulm |
| Debra Brink | Tom Fischer | Tracy Island |
| Jason Brott | Rodney Fischer | Kory Iverson |
| Deb Brunner | Kevin Fish | Eileen Iverson |
| Daniel Brunner | Mike Forsythe | Michelle Jacobs |
| Timothy Burke | Steve Frankman | Judy Johner |
| Danny Burr | Marcus Gallegos | Dan Johnson |
| Randy Bush | Lane Gemar | Jon Johnson |
| David Buskirk | Kenneth Gienger | Edward Jones |
| Jerome Carda | Lynell Gienger | Jack Jones |
| Diane Carda | Gregory Glodt | Thomas Kean |
| Richard Cleveland | Bridget Gostola | John Keppel |
| Marcus Clyne | Shari Green | Ken Kermu |
| Allen Conradsen | Ashley Griffith | Jesse Kille |
| Philip Coon | William Griffith | Brian Kindsfater |
| Craig Cottrell | Michael Gurich | Pam Kirby |
| Shareen Covell | Neil Hague | Daren Kirk |

Greg Klar
Donald Kleinheksel
Kathie Klinckman
Roxanne Knight
Dale Lange
Leroy Lanphear
Gene Lee
Jeannette Lemke
Randy Lepthien
Jim Lewis
Lori Logan
Michael Lorge
Bryan Loudon
James Luger
William Lund
Clinton Lurz
Regina Luze
Kimberly Maag
Ashley Mack
Jan Mallory
Diane Mangelsen
Gwen Martin
Seth Martens
Bert Mason
Pam Massa
Michael Maynard
Char Maynard
Patrick McDermott
Laurie McKee
Michael McKee
David Meddings
James Meier
Keith Melcher
Jeffrey Melton
Pamela Merrell
Jeff Millard
Nicolas Moffett
Kim Morris
Luby Muir

Tana Neel
Nancy Nelin
Marty Nelson
Randy Nelson
Gary Nelson
Joseph Noeller
Joseph Nonnast
Ryan Olinger
Bethany Odstrom
Elizabeth Park
Brent Patterson
Ryan Patterson
David Perfett
Tony Pistulka
Weston Pleinis
Daryle Poling
Carolyn Pope
Tom Pope
Shary Porter
Pam Pownall
Diana Prado
Toby Plymale
Robert Ringling
Wade Robbins
Michael Rodman
Rhonda Ross
Scott Roth
Terry Rud
Wayne Ruffner
David Ruth
Daniel Ryan
John Rystrom
Steven Schaeffer
Connie Schlepp
Eddie Schmeltz
Robert Schmitt, Jr.
David Schneider
Donica Schumacher
Robin Scribner

Luci Seid
Dan Seid
Rick Sexton
Tanner Shoup
Tony Seiber
James Simmons
Dolores Skalsky
James Skalsky
Gordon Smith
Cleo Snow
Wayne Snow
Theresa Spaid
Jim Spears
Sherry Spicer
Clarence Sprague
James Sternhagen
Janice Stewart
Jay Stoltenberg
William Stott
Mark Stratton
John Strauss
Jason Sumners
Roy Sundstrom
Jim Treadway
James Trepl
Richard Turbiville
Sharon Van Norman
Lori Van Winsen
Jim Vinson
Aaron Wagner
Connie Weis
Marian Wescott-Toth
Patty Whitt
Don Willuweit
Bob Wilson
Ken Wolfe
Rosemary Wylie
Jim Zenor
Lori Zimmerman

STATE OF SOUTH DAKOTA



COMMISSION ON GAMING

87 Sherman Street
Deadwood, SD 57732
Phone: (605) 578-3074
FAX: (605) 578-2263

MEMORANDUM

DATE: 09/06/2017
TO: South Dakota Commission on Gaming
FROM: Brandon Snyder
SUBJECT: Patriot Gaming & Electronics, Inc. 100421-MA

Patriot Gaming & Electronics, Inc. sells gaming equipment, electronic equipment, cleaning supplies, and used slot machines. They are headquartered in Griffith, IN with offices in New Gretna, NJ and Las Vegas, NV. Mark Komorowski owns 64.45% of PG&E and Mark Nocco owns the remaining 35.55%. Patriot Gaming was established in 2002. Patriot Gaming has approximately 35 employees.

Area of Concern: NONE

Recommendations: It is recommended that the applicant be approved for a Manufacturer / Distributor license. No derogatory information was discovered during this background investigation that would prevent the applicant from obtaining a license. The applicant has had a license in the past under a previous company name.

A handwritten signature in black ink, appearing to read "Brandon Snyder", written over a horizontal line.

Brandon Snyder
Special Agent-SDCG

Agent Snyder
SDCG

STATE OF SOUTH DAKOTA



COMMISSION ON GAMING

87 Sherman Street
Deadwood, SD 57732
Phone: (605) 578-3074
FAX: (605) 578-2263

MEMORANDUM

DATE: 09/06/2017
TO: South Dakota Commission on Gaming
FROM: Brandon Snyder
SUBJECT: Mark Komorowski 10042-002

Mark Ernest Komorowski was born in Harvey, Illinois. Mark completed his M.B.A at DePaul University. He currently owns 64.45% of Patriot Gaming & Electronics. Mark is married to Kimberly Ann Nelson. Mark and Kimberly have two daughters, Cassidy and Katlyn Komorowski. Mark's family works at Patriot Gaming. Mark and his family live in St. John, Indiana. Mark and his company are licensed in multiple jurisdictions across the United States.

Area of Concern: NONE

Recommendations: It is recommended that the applicant be approved for an owner's license. No derogatory information was discovered during this background investigation that would prevent the applicant from obtaining a license.

A handwritten signature in black ink, appearing to read "Brandon Snyder", written over a horizontal line.

Brandon Snyder
Special Agent-SDCG

Agent Snyder
SDCG

STATE OF SOUTH DAKOTA



COMMISSION ON GAMING

87 Sherman Street
Deadwood, SD 57732
Phone: (605) 578-3074
FAX: (605) 578-2263

MEMORANDUM

DATE: 09/06/2017
TO: South Dakota Commission on Gaming
FROM: Brandon Snyder
SUBJECT: Mark Nocco 15043-06

Mark Christopher Nocco was born in Philadelphia, Pennsylvania. Mark attended Casino Career Institute in Atlantic City, NJ and obtained a certificate as a slot mechanic. Mark is married to Laura Patricia Posada-Martinez. Mark has three biological children and 1 step child. Two of Mark's Children and Laura work for Patriot Gaming & Electronics. Mark is currently a 35.55% owner of PG&E. All of Mark's shares are non-voting shares. Every year when Mark receives his bonus he purchases more non-voting shares. His goal is to get to 50% ownership.

Area of Concern: NONE

Recommendations: It is recommended that the applicant be approved for an owner's license. No derogatory information was discovered during this background investigation that would prevent the applicant from obtaining a license.

A handwritten signature in black ink, appearing to read "Brandon Snyder", written over a horizontal line.

Brandon Snyder
Special Agent-SDCG

Agent Snyder
SDCG

STATE OF SOUTH DAKOTA



COMMISSION ON GAMING

696 Main Street, 2nd Floor
Deadwood, SD 57732
Phone: (605) 578-3074
FAX: (605) 578-2263

DATE: October 2, 2017

TO: SD Commission on Gaming

FROM: Craig Sparrow, Deputy Exec. Secretary

RE: Michael R. Gustafson – Best Western Hickok House Retail Application **(10470-RT)**

We have received an application along with the application and license fees for a new retail license that the applicant would like assigned to Best Western Hickok House located at 137 Charles St. This location currently has a retail license assigned to it which belong to Pat and Anne Roberts who have asked to have theirs removed. Mike Gustafson is purchasing the property from First Interstate Bank and has hired Pat and Anne to continue managing it for him once the sale is complete.

First Interstate Bank notified the Roberts that they would not renew their loan on the property and it went into default. First Interstate Bank purchased the property back at a courthouse sale and have agreed to sell it to Mike Gustafson. The deal is currently pending and the Roberts continue to operate the property on behalf of the bank.

Mike Gustafson has been licensed by the SD Commission on Gaming since August 1990. He currently is the sole shareholder in First Gold Inc. which owns an Operator, Route Operator and 9 Retail licenses. Mike is also licensed as one of the owners in the Deadwood Mountain Grand Resort.

With Staff's recommendation, the Executive Secretary has approved and assigned a retail license to the Best Western Hickok House per authority granted in **42-7B-11 (16)**. This action will come before the Commission during the November 16, 2017 Commission meeting for ratification.